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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1 - 15

TUESDAY, MAY 19, 1964

TUESDAY, MAY 26, 1964

Bill C-90, An Act to amend the National Defence Act

WITNESS:

The Honourable Paul T. Hellyer, Minister of National Defence.

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20873—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Hahn,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
Nielsen,
Smith,
Temple,
Winch—(24).

Quorum—13

E. W. Innes,
Clerk of the Committee.

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ORDERS OF REFERENCE

FRIDAY, May 8, 1964.

Resolved,—That a Special Committee be appointed to continue the consideration of matters relating to Defence begun by the Special Committee at the past Session and to report from time to time its observations and opinions thereon;

That the Committee have power to send for persons, papers and records and to examine witnesses;

That it be empowered to adjourn from place to place;

That the minutes of proceedings and evidence taken by the Special Committee at the past Session be referred to the said Committee and made a part of the records thereof; and

That the Committee consist of 24 members to be designated by the House at a later date, and that Standing Order 67(1) be suspended in relation thereto.

TUESDAY, May 12, 1964.

Ordered,—That Bill C-90, An Act to amend the National Defence Act, be referred to the Special Committee on Defence.

THURSDAY, May 14, 1964.

Ordered,—That the Special Committee on Defence, appointed May 8, 1964, be composed of Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Lambert, Langlois, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean (*Queens*), MacRae, Martineau, Matheson, McMillan, Nielsen, Pilon, Smith, Temple and Winch.

Attest.

LEON-J. RAYMOND,
The Clerk of the House.

20873—1½

REPORT OF THE HOUSE

WEDNESDAY, May 20, 1964.

The Special Committee on Defence has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto;

2. That it be granted leave to sit while the House is sitting.

Respectfully submitted,

D. G. HAHN,
Chairman.

(*Note*,—Report concurred in on same day).

MINUTES OF PROCEEDINGS

TUESDAY, May 19, 1964
(1)

The Special Committee on Defence met at 2.05 o'clock p.m. this day for organization purposes.

Members present: Messrs. Béchard, Brewin, Deachman, Fane, Groos, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), MacLean, MacRae, Martineau, Matheson, McMillan, Nielsen, Pilon, Smith, Winch (19).

The Clerk attending, and having called for nominations, Mr. Béchard moved, seconded by Mr. McMillan, that Mr. Hahn be elected Chairman of the Committee.

There being no further nominations, Mr. Hahn was declared duly elected as Chairman.

The Chairman thanked the Committee for the honour conferred on him.

The Chairman invited nominations for a Vice-Chairman.

Mr. Deachman moved, seconded by Mr. Pilon, that Mr. Temple be elected Vice-Chairman.

Mr. Lessard (*Lac-Saint-Jean*) moved, seconded by Mr. MacLean, that Mr. Lambert be elected Vice-Chairman.

After discussion, Mr. Deachman moved, seconded by Mr. McMillan, that there be two Vice-Chairmen. Motion negatived *on division.*

The first motion for Vice-Chairman was negatived.

The second motion for Vice-Chairman was adopted unanimously and Mr. Lambert was declared duly elected as Vice-Chairman.

Mr. Smith moved, seconded by Mr. Nielsen, that a Sub-Committee on Agenda and Procedure composed of the Chairman, Vice-Chairman and four members, to be named by him, be appointed. After discussion, by leave, Mr. Smith withdrew his motion.

On motion of Mr. Brewin, seconded by Mr. Deachman,

Resolved,—That a Sub-Committee on Agenda and Procedure comprised of the Chairman, Vice-Chairman and five members, to be named by him, be appointed.

On motion of Mr. MacLean, seconded by Mr. Lessard (*Lac-Saint-Jean*),

Resolved,—That the Committee recommend to the House that it be empowered to print such papers and evidence as may be ordered by the Committee.

On motion of Mr. Lessard (*Lac-Saint-Jean*), seconded by Mr. Lambert,

Resolved,—That the Committee request permission to sit while the House is sitting.

The Clerk read the Committee's initial order of reference.

Mr. Winch requested an early meeting of the Steering Committee to discuss urgent defence matters, the White Paper and Bill C-90 and their priority of consideration.

Various suggestions were recommended to facilitate and expedite the work of the Committee.

Mr. Hahn referred to a visit of twenty-five R.M.C. cadets to the House of Commons on Thursday, May 21.

At 2.25 o'clock p.m., the Committee adjourned to the call of the Chair.

M. Slack,
Acting Clerk of the Committee.

TUESDAY, May 26, 1964.
(2)

The Special Committee on Defence met at 11.15 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, Matheson, McMillan, Nielsen, Temple and Winch. (20)

In attendance: From the Department of National Defence: Honourable Paul T. Hellyer, Minister; and Honourable Lucien Cardin, Associate Minister

The Order of Reference, referring to this Committee Bill C-90, An Act to amend the National Defence Act, was read.

The Chairman announced that the following have been appointed to the Steering Subcommittee: Messrs. Lambert, Langlois, Lessard (*Lac-Saint-Jean*), MacLean, Temple, Winch and Hahn. He then presented the following as that Subcommittee's First Report:

Your Subcommittee recommends:

1. That the Committee meet on Tuesday and Thursday mornings at 10.30 a.m.
2. That pursuant to its Order of Reference of May 20, 1964, the Committee print 1,000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.
3. That Bill C-90, An Act to amend the National Defence Act, be the first matter for the consideration of the Committee.
4. That the Minister of National Defence be invited to make a statement to the Committee on Tuesday, May 26, and Thursday, May 28.
5. That the Deputy Minister of National Defence be invited to make a statement following the completion of the Minister's statement.

On motion of Mr. Winch, seconded by Mr. Lloyd,

Resolved,—That the First Report of the Steering Subcommittee, presented this day, be now concurred in.

Clause 1 of Bill C-90 was called, the Minister was introduced and requested to outline the purposes of the Bill.

The Minister described the present and proposed administrative set-up of the Department of National Defence and the purposes of Bill C-90. During his statement, certain points were emphasized by the use of charts.

Agreed,—That the above-mentioned charts be included at the appropriate points in today's Evidence.

The Minister was questioned on the subject matter of his statement and on related matters.

At 12.30 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

TUESDAY, May 26, 1964.

The CHAIRMAN: Gentlemen, we have a quorum. You will please come to order. I am going to start by reading to the Committee the second Order of Reference for the Committee. The first Order of Reference was the resolution which was read at the last meeting. The second Order of Reference is dated Tuesday, May 12; "*Ordered* by the House that Bill C-90 an Act to Amend the National Defence Act be referred to the Special Committee on Defence."

At our organization meeting it was agreed that the Steering Committee, a Subcommittee, should be appointed by the Chairman after consultation with party whips, and that it should consist of the Chairman, the Vice-Chairman, and five members of the committee. I shall now announce the names of the steering committee. In addition to myself and Mr. Lambert, the other members are Mr. Temple, Mr. MacLean, Mr. Winch, Mr. Lessard (*Lac-Saint-Jean*), and Mr. Langlois.

Following our last meeting the Steering Committee met and I shall now read the First Report of the Steering Committee, as follows:

Your subcommittee recommends:

1. That the committee meet on Tuesday and Thursday mornings at 10.30 a.m.
2. That pursuant to its order of reference of May 20, 1964, the committee print 1,000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.
3. That Bill C-90, an act to amend the National Defence Act, be the first matter for the consideration of the committee.
4. That the Minister of National Defence be invited to make a statement to the committee on Tuesday, May 26, and continue on Thursday, May 28.
5. That the deputy minister of National Defence be invited to make a statement on June 2.

May I now have a motion for the adoption of the report of the Steering Subcommittee?

Mr. LAMBERT: I wonder about the Committee meeting for June 2. After all, it may be that we are not finished, at that time, in hearing the minister.

The CHAIRMAN: Shall we change the Report to read that the Deputy Minister of National Defence be invited to make a statement upon the completion of the minister's statement?

Mr. WINCH: May I bring up one point which was not mentioned? It was my understanding in the subcommittee that along with considering the bill you have mentioned would come questions for discussion on matters of policy with regard to separation of those who may be leaving the service.

The CHAIRMAN: I did not specify it in the report, but it was discussed, and the general opinion of the Steering subcommittee was that in discussing Bill C-90 we would discuss the Bill and its effect on unification of command of the services including the problems of separation of personnel, but that we would not at this stage go into the probable ramifications involved because it would be a separate topic to be taken up at a later stage. So I think we might leave this as understood in the consideration of Bill C-90, as it is part of Bill C-90.

Now may we have a motion for adoption of the report? It is moved by Mr. Winch and seconded by Mr. Lloyd. Yes, Mr. Fane?

Mr. FANE: I would like to suggest that you have a meeting with the Chairmen of all Committees to arrange times that do not conflict with meetings of the other committees, because on Tuesdays and Thursdays at 10.00 a.m. the public accounts committee has arranged to sit also, and those of us who are members of both committees cannot possibly attend meetings of these two important committees at the same time. Therefore, I suggest that the chairmen get together with whomever it can be arranged with, to bring about some organization of the times of meetings of these committees so that they do not conflict. If they would do this it would be a very acceptable thing for those members who have to attend more than one committee.

The CHAIRMAN: In that connection there are about five committees now meeting on Tuesdays and Thursdays. The steering subcommittee, the subcommittee of this committee discussed it. It poses problems, and the only alternative is to meet on Mondays and Fridays. There is caucus of course on Wednesday. So the steering subcommittee was unanimous that we continue our sittings as suggested, on Tuesdays and Thursdays.

Mr. MCMILLAN: I was going to bring up the same subject. Would it not be better to meet, let us say, at eleven o'clock, in order to give another committee such as public accounts a chance to meet, let us say, from 9.30 a.m. until 11 o'clock? I believe you said that we were to meet at 10.30 a.m.; is that so?

The CHAIRMAN: At 10.30 a.m.

Mr. MCMILLAN: Surely there are a number of us who are on both these committees.

Mr. HARKNESS: Certainly I think some effort should be made to try to co-ordinate the times of meetings of the committees which will be meeting regularly during the next month or two months. There have been efforts along this line in the past, though not too successful. But I think some progress could be made in order to prevent the times overlapping, which would otherwise take place unless there was some co-ordination among the chairmen of committees which will be meeting during this present period.

The CHAIRMAN: I suggest that for the time being we adopt the sittings as agreed upon. We will see if it is possible to avoid conflict. It is extremely difficult to do this. Now are we ready for the question? All in favour of the adoption of the Steering subcommittee report? Opposed?

Motion agreed to.

I declare the motion carried.

We have with us as witness the Minister of National Defence. The first item before the Committee for consideration is Bill C-90, An Act to amend the National Defence Act. I now call clause 1, and ask the minister to make his statement on clause 1.

On clause 1,—*Duties of chief of the defence staff.*

Hon. PAUL HELLYER (*Minister of National Defence*): Mr. Chairman, and gentlemen,—

Mr. BREWIN: Before the minister begins, may I ask if you have an extra copy of this bill somewhere?

The CHAIRMAN: Copies of the bill are being distributed and all members will receive them along with copies of the consolidated National Defence Act.

Mr. LLOYD: I suggest that the minister proceed while we are waiting for the distribution.

Mr. HELLYER: Thank you, Mr. Chairman. As a preliminary to the discussion of Bill C-90 it may be useful to review briefly some of the background leading

to the proposal which is now before you. As you know, we undertook several studies in the Department of National Defence covering a wide range of problems.

As the result of the studies a number of decisions have already been taken. These are quite well known to you and cover a wide range, from the cancellation of various procurement programs such as the general purpose frigates and the follow on CF-104 aircraft, to the reduction of overhead and the closing of various bases and depots, to a proposed reduction in reserve forces, and now a recommendation to replace the chairman, chiefs of staff committee, and the three service chiefs by a single chief of defence staff. In order that you may better understand the problems related to this action, I would like to repeat some of the more important considerations at this time.

First of all in respect of the equipment programs, we examined each one from the standpoint of its effect on future policy. It has been alleged that policy has been set to agree with the equipment already decided on. Obviously, if all the funds available for equipment are committed and if a change in policy should require different equipment, flexibility is lost because of lack of funds. Therefore, any plans to buy equipment which would unduly restrict our choice of future policy were carefully reviewed and several were cancelled.

At the same time, discussions were held with the government in respect of the level of funds that we could expect for defence requirements for the next few years. In considering this question, the government was very much aware of the overall financial position which faces it. A series of large deficits have increased the size of our national debt and the annual cost of servicing the debt. Statutory expenditures have been rising sharply and the prospect of continuing large deficits is a matter of concern. Defence expenditures represent the largest area of non-statutory or controllable expenditures, and so it was decided that an effort should be made to hold expenditures for defence at approximately the present level. I may say that to accomplish this will not be an easy task.

The problem is made much more difficult by the fact that defence expenditures have been and remain out of balance. To be specific, we are spending too large a proportion of our funds for operations and maintenance and not enough for equipment. If this trend is not reversed, it will only be a few years until we will have no new equipment at all. Obviously something must be done. If we are to have in the future fully effective, well equipped and flexible forces, we must spend much more on equipment and much less on overhead. Also, because we cannot afford to do well all of the things we are now doing, we must spend more on high priority items and less on lower priorities.

To determine the scale of priorities was not an easy task. It is, of course, a question of judgment. However, we had to look at the world as it presently exists and learn from the experiences of the past. At the beginning of the first and second world wars, we did not have significant forces in being and we had to rely almost completely on mobilization potential. Consequently it was some months before we were able to play an important part in the execution of the war. Even more important is the suggestion that if the allies had strong forces in being, the second world war might not have happened.

Following world war II we demobilized most of our forces and returned to the pre-war policy. For several years this policy made sense due to the large stockpiles of new equipment left over from the war and even more important because of the large reservoir of trained manpower. Following the Korean conflict and the acceptance by Canada of sizeable commitments under the North Atlantic Treaty Organization and our defence partnership with the United States, Canadian policy changed radically. The emphasis shifted from mobilization potential to a forces-in-being concept. This concept is valid today and our widespread commitments demand its continuance.

The purpose of our forces in being is to preserve peace by deterring war. This principle applies throughout the whole spectrum of possible conflict. At the high end of the scale, thermonuclear war and major non-nuclear war are deterred by the existence of sufficient force to make any aggression unprofitable. Similarly, at the lower end of the scale in peace-keeping and other activities, it is the existence of, and in some cases the use of forces in being which contains or tends to contain the conflict in a limited way and prevent it from escalating into something more dangerous. In most situations in the real world then, it is flexible forces in being which may be useful to keep the peace and deter war. The chance of calling on mobilization potential, though possible, is quite remote.

This assessment must guide our setting of priorities. Forces in being which traditionally have been low priority are at the top of our list and reserve forces which have been the backbone of our mobilization in two world wars, are moved down the scale proportionately.

This is not to say that we have no further requirement for reserve forces. On the contrary, they will continue to play an important place in the scheme of things. For example, although we do not think there is a high probability of mobilization, we think it would be unwise, in the light of history, to ignore the possibility. Our plans will include, therefore, a limited but effective potential. In addition, we have specific requirements for reserve forces to assist in the defence of Canada and for civil survival. We have roles to be assigned to reserve forces and we feel that the direct relationship between role and force will be good both for morale and effectiveness in a reorganized militia.

To assist us in the reorganization of our reserve forces, a commission and two committees were established. The committees relating to the Royal Canadian Naval Reserve and the Royal Canadian Air Force Auxiliary have reported. The Commission headed by Brigadier E. R. Suttie of Montreal, has been considering how the militia might be reorganized to meet our requirements and at the same time best preserve the special characteristics and traditions of a great organization. Brigadier Suttie and his group have had the full co-operation of the conference of defence associations to assist them in their important task. The preliminary report of the commission is expected within a few days. Hon. members of this committee may wish to study the recommendations at a later date.

To reorganize our permanent forces in a manner which will permit a satisfactory balance in expenditures between overhead on the one hand and new equipment on the other, we have two choices. We could either reduce the number of operational units or seek savings in overhead, particularly in headquarters, supply, training and related staffs. Between these two, and because we were convinced that substantial savings could be effected in headquarters and related areas, we decided to turn our full attention in the direction of reductions in overhead which would not affect our operational capability.

In considering the reorganization most likely to accomplish this goal, two important criteria were kept in mind. First the development of the most streamlined and responsive force possible, and second the maximum reduction in duplication and consequent savings in personnel. I think the fact should be underlined that we cannot possibly restore an acceptable balance within the present level of defence expenditures without a substantial reduction in personnel. To achieve our purpose, therefore, the option adopted must be the one which will permit the maximum reduction in headquarters and other establishments.

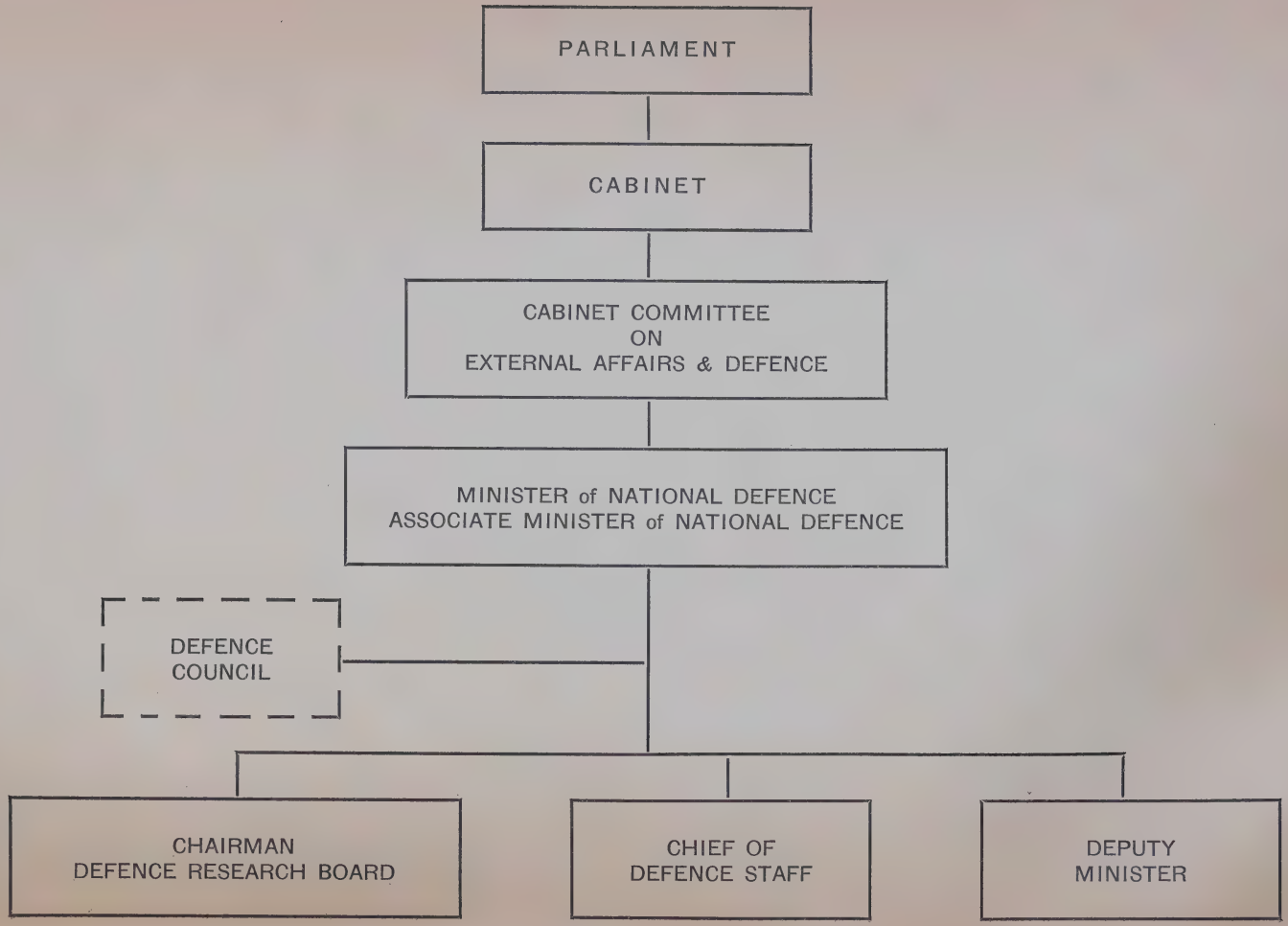
One of the options studied was, of course, that suggested by the royal commission on Government organization. It was in effect that service and support organizations common to the three services be transferred and placed under the jurisdiction of the chairman, chiefs of staff committee. This suggestion was carefully studied and ultimately rejected on two counts. First, unless the chairman was given authority to impose decisions on the services, the committee system with all its inevitable frustrations and delays would remain. Second, it did not appear that manpower savings could be effected. Based on our experience and that of our allies, there was a strong possibility that the manpower requirements might have increased by the creation of what has sometimes been called the "fourth force".

The option chosen is more fundamental and more direct. It is in substance the application of the corporate principle to the armed forces and the consequent requirement of a single command structure. This solution is widely held both by professional officers and by students of military organization. Bill 90 contains the provisions required to implement the change in command. The positions of chairman, chiefs of staff committee, chief of the naval staff, chief of the general staff, and chief of the air staff are being replaced by a single position designated chief of defence staff. The chief of defence staff will be responsible for the administration of navy, army and air force. The bill before you is drafted to implement this transfer and to effect the consequential amendments resulting from the transfer. When you come to the clause by clause examination of the bill, I am sure that the Judge Advocate General would be willing to answer questions in respect of any specific points that might arise.

The chief of defence staff will be assisted in his administrative responsibilities by a defence staff to whom he can delegate responsibility in various fields. To assist in the determination of this top command structure, I asked the chiefs of staff to set up a special ad hoc committee. This committee of senior officers consisting of representatives of the joint staff, navy, army, air force, defence research board and the deputy minister's staff, worked assiduously at their task and set out in concise detail the considerations involved. The associate minister and I are deeply obliged to the chiefs of staff and their committee for invaluable assistance in a most difficult task.

In a few minutes I will outline the proposed senior military staff, but first I would like to briefly discuss the question of civil control and how it will be effected. As you have already indicated the deputy minister will be discussing with you the relationship between his staff and the military. In consequence my remarks will be limited to the broad principles.

Would you give me the first chart, please?


PARLIAMENT
CABINET
CABINET COMMITTEE
ON
EXTERNAL AFFAIRS & DEFENCE
MINISTER of NATIONAL DEFENCE
ASSOCIATE MINISTER of NATIONAL DEFENCE
DEFENCE
COUNCIL
CHAIRMAN
DEFENCE RESEARCH BOARD
CHIEF OF
DEFENCE STAFF
DEPUTY
MINISTER

As with other government departments the ultimate approval of matters relating to defence is vested in parliament with the cabinet deciding the precise defence policy to be recommended to parliament for approval. However, the cabinet is too large a body to deal effectively with the numerous and complex policy problems of national defence. Consequently, a smaller committee of cabinet members is established to deal specifically with matters affecting foreign policy and defence policy. This cabinet committee is known as the external affairs and defence committee and is called upon to consider defence questions and to report to the cabinet upon major matters of policy relating to the maintenance and improvement of the armed forces. A number of officials, while they are not members, may attend meetings of this committee and may be asked to express their views. These include the chairman, chiefs of staff committee, the various chiefs of staff, the chairman of the defence research board, the deputy minister of national defence and officials from other interested government departments. The Prime Minister acts as chairman of the external affairs and defence committee.

As ministers responsible for the Department of National Defence, the Minister of National Defence and the Associate Minister of National Defence both report to the cabinet and to the external affairs and defence committee on matters of major defence policy for which cabinet direction is required. Within the department under the terms of the National Defence Act as it now exists the overall administration of the Department of National Defence is the responsibility of the two ministers. The minister and associate minister are equal in status and either can act as Minister of National Defence. However, for the day to day work at the ministerial level of the department it has been mutually agreed that the Minister of National Defence will be mainly responsible for defence matters of an operational and international character, such as those involved in the United Nations and NATO. The Associate Minister of National Defence will deal mainly with administrative matters affecting the department.

I may say, as I have indicated before, that without this assistance from the associate minister, who does undertake the bulk of administrative work within the department, it would have been impossible for us to give the time and thought to the proposed reorganization which has been required.

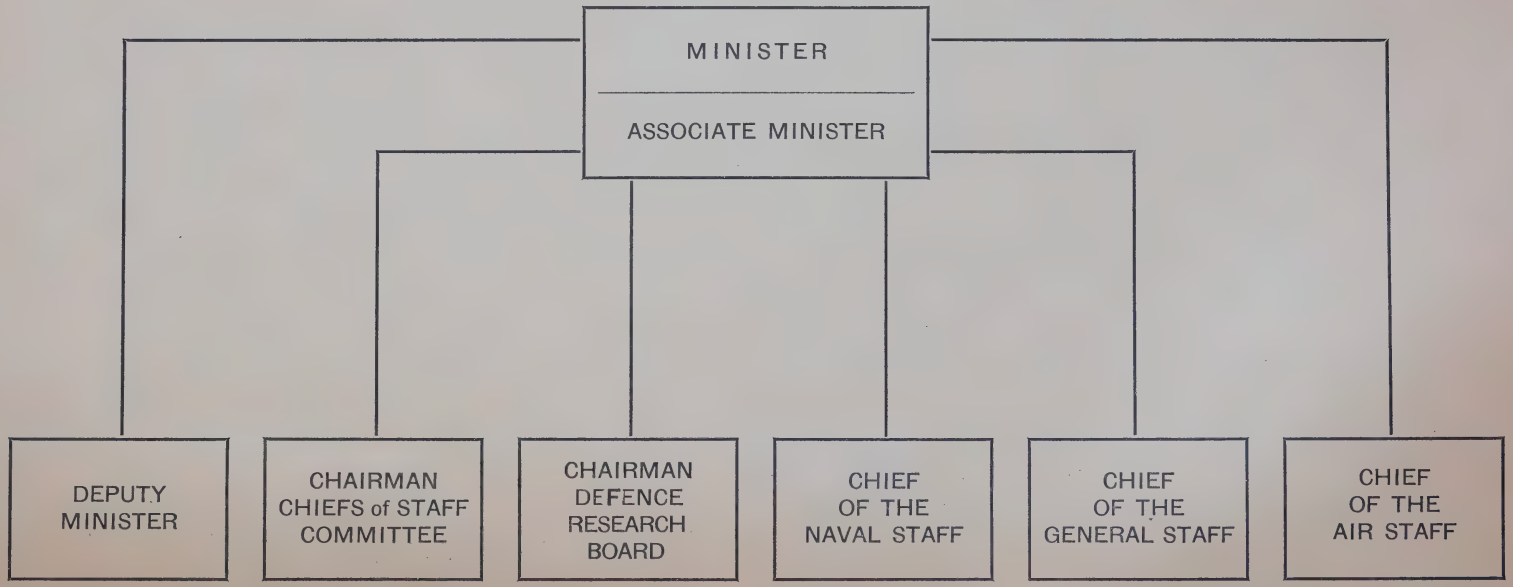
Under the act the deputy minister reports directly to the two ministers and he is responsible for the control of all financial matters pertaining to the department, parliament and legal business including all proposals for legislation and submission to the governor-in-council and treasury board and formal communications to other government departments and the general public.

The chairman of the defence research board, which was established on April 1, 1947 under part III of the National Defence Act also reports directly to the ministers. The basic responsibilities of the defence research board are: providing scientific advice to the Minister of National Defence, to the chiefs of staff and to the armed services; providing for the research needs of the armed services and to contribute to the collective security of the NATO alliance in scientific fields, and to encourage and support basic research in defence interests in Canadian universities.

On the military side, the ministers' advisers at the present time are the members of the chiefs of staff committee including the chairman of that committee and the chairman of the defence research board. Each of the members of the committee have direct access to the minister, as does the deputy minister.

Would you just briefly show the other chart?

PRESENT CHANNELS (6) TO THE MINISTER AND ASSOCIATE MINISTER OF NATIONAL DEFENCE



This indicates the present organization in which, in effect there are six avenues of direct input to the minister and associate minister. The deputy minister, the chairman of the chiefs of staff committee, the chairman of the defence research board, the chief of the naval staff, the chief of the general staff and the chief of the air staff each have direct access. This is one of the administrative problems which we found and about which we felt something must be done: in effect, at the present time it is very difficult to exercise the control and management of the department as required of the ministers by law.

One of the main objects, then, of the new proposed organization is to simplify these channels of communication to the point at which the minister and associate minister can effectively exercise the responsibility and control with which they are charged by law.

There is another advisory body about which I will have something further to say, and that is the defence council. This council—which is chaired by the Minister of National Defence has as its members the associate minister, the deputy minister, the associate deputy minister, the chairman of the chiefs of staff committee, the chiefs of staff of the armed services, and the chairman of the defence research board—deals in the main with matters of policy related to administration within the department. There are, of course, many other committees within the department as was pointed out in the white paper. The majority of those committees are tri-service in nature, and it is important to note that in these many departmental committees, outside those in which the ministers participate, there exists no overriding individual authority in so far as decisions or recommendations being made.

I am now going to review the history of the defence council for hon. members of the committee, and I apologize for doing it in great detail, but it is necessary because there are many people interested in this particular body and in the function which it has played in the past and which it is intended it shall play in the future. Perhaps members of the committee will permit a somewhat more lengthy review than otherwise would be warranted.

Under Bill C-90, which the committee is now considering, the positions of chairman, chiefs of staff committee, and of the chiefs of staff of the three services are being eliminated in favour of one chief of the defence staff. Therefore, the chiefs of staff committee will also cease to exist and consideration had therefore to be given to the establishment of a body of advisers who would have direct contact with the ministers on all major problems, both military and administrative. This will be done through the defence council, which I have already mentioned, but the composition and the terms of reference of this council will be different from those in the past.

The defence council was established by order in council P.C. 1252 on June 20, 1922:

> To advise the minister on all matters of defence including or relating to the militia, the military, naval and air services of Canada, and on all matters referred to it by the minister.

References to the militia council and the various regulations were henceforth to mean defence council. The composition of this council was as follows: president, the minister of militia and defence and naval service; vice president, the deputy minister of militia and defence. The members were as follows: the deputy minister of the naval service; the chief of the general staff, department of militia and defence; the director of the naval service. Associate members were the adjutant general, department of militia and defence; the quartermaster general, department of militia and defence; and the director of the Royal Canadian Air Force.

On July 17, 1936, P.C. 1742, in recognition of the fact that the judge advocate general had been a member of the militia council, revised the mem-

bership of the defence council as follows: president, the minister of national defence; vice president, the deputy minister of national defence. Members were the chief of the general staff; the director of the naval service and chief of the naval staff; the senior air officer, Royal Canadian Air Force. Associate members were the adjutant general; the quartermaster general; the master general of ordnance; and the judge advocate general.

In consequence of the appointment of a minister of national defence for naval services and a minister of national defence for air as well as associate acting deputy ministers, it was considered necessary to change the composition of defence council to conform to the organization within the department of national defence. To that end, order in council P.C. 1252 and order in council P.C. 1742 were cancelled, and order in council P.C. 4737, dated September 13, 1940, was approved. The duties of the defence council were to advise the minister on all matters of defence, including or relating to the naval, military and air services of Canada, and all matters referred to it by the minister of national defence.

The composition of the council was as follows: chairman, the minister of national defence; vice chairmen, the associate minister of national defence, the minister of national defence for naval services, the minister of national defence for air. Members were the chief of naval staff, the chief of the general staff, the chief of the air staff, the associate acting deputy minister naval service, the associate acting deputy minister militia service, and the associate acting deputy minister air service. The secretary was to be appointed by the minister of national defence.

Subsequent orders in council—in 1947 P.C. 887 and in 1951 P.C. 886—repealed previous orders in council and amended the membership but made no changes in the duties.

In 1953 when a further submission was made to the privy council to update the membership, the clerk of the privy council returned it stating that, as the defence council was an intra-departmental body with its members under the direct control of the minister and with no duties except to advise the minister, there was no need to continue the past practice of providing for defence council by order in council. Accordingly, P.C. 1953-442, March 26, 1953, revoked the last order in council which was P.C. 886. The then minister of national defence, the late hon. Brooke Claxton, on March 18, 1953, issued an order stating that:

> There shall be a defence council consisting of the following: chairman, the minister of national defence; vice-chairman, the associate minister of national defence; other members, the parliamentary assistants to the minister of national defence, the deputy minister of national defence, the chairman of the chiefs of staff committee, the chief of the naval staff, the chief of the general staff, the chief of the air staff, the chairman of the defence research board, the associate deputy ministers of national defence. The secretary was to be such person as the minister of national defence shall appoint.

In addition, such persons as the chairman or vice-chairman may request shall from time to time attend meetings of the defence council.

The duties of the defence council shall be to advise the minister of national defence and the associate minister of national defence on matters relating to the naval, army and air forces of Canada and on all matters referred to it by the minister of national defence or the associate minister of national defence, and this order is still valid today. However, over the years through custom a division has occurred between the duties of the defence council and the chiefs of staff committee. The Canadian chiefs of staff committee was formed in June, 1927, and was known at that time as the joint staff. However, in 1938 when the chief of the air staff was appointed, it changed its name to the chiefs

of staff committee. This committee functioned with the three service chiefs as members throughout world war II. After the war when the defence research board was set up the chairman became a member of the chiefs of staff committee with the status of a chief of staff.

When events deteriorated between the west and the Soviet union, Canada played a leading part in the formation of the North Atlantic Treaty Organization. So important were the military negotiations and the implication of these defence arrangements that it required almost the continuous attention of the then chairman of the chiefs of staff committee, who was also at that time the chief of the general staff as there was no separate chairman. Also at the beginning of the Korean incident the individual chiefs of staff were greatly concerned with the build-up of their own services. These were major considerations which caused the government to agree to the reorganization of the chiefs of staff with the appointment of a permanent chairman on February 1, 1951. The terms of reference for the chairman of the chiefs of staff committee were as follows:

(*a*) To act as the Chairman of a committee composed of the Chiefs of Staff and such other members as the Minister may designate;

(*b*) To co-ordinate the operations and training of the Canadian forces; and

(*c*) To perform such other duties as the Minister may direct.

Since then, the chiefs of staff committee advises the minister of national defence and the cabinet external affairs and defence committee on matters of defence policy and prepares strategic appreciations and military plans as required. In addition, the committee has been responsible for co-ordinating the efforts of the armed services in fulfilment of a single defence policy and over-all policy direction of joint service organizations, establishments and operations.

In consequence, the defence council has been liimted in practice in its own considerations to the following functions: (*a*) To review and determine major questions of departmental policy in the fields of personnel, both military and civilian, and logistics; (*b*) To institute studies of departmental organization and practices with a view to achieving economies, improving managerial methods or co-ordinating departmental and governmental policy; (*c*) To take under consideration any other matter of departmental policy which may be referred to it by any member of the defence council. In practice, it has been used less and less throughout the years, and it is now proposed that the defence council will be used in a much more comprehensive manner and, in the future, will act as the principal departmental policy group.

In an integrated organization, the role of defence council will be basically the same as under the former tri-service headquarters organization. It will co-ordinate information and make decisions on defence matters. The difference in the new organization is, of course, that there are and will be fewer separate functions to co-ordinate. That is, instead of three services we will be dealing with a single defence staff which will have presented military problems on a co-ordinated basis. The essential elements for co-ordination, therefore, will be the fiscal considerations as represented by the deputy minister, the military considerations as represented by the chief of defence staff, and scientific considerations as represented by the scientific adviser, the chairman of the defence research board.

In addition, there is a need for inter-departmental co-ordination on many of the elements of defence policy. This can be accommodated by having representatives of the department sit in with the defence council whenever items that affect their departments in an important way are to be considered.

These will not be members of the defence council but can put forward the views of their own departments on any matters under consideration.

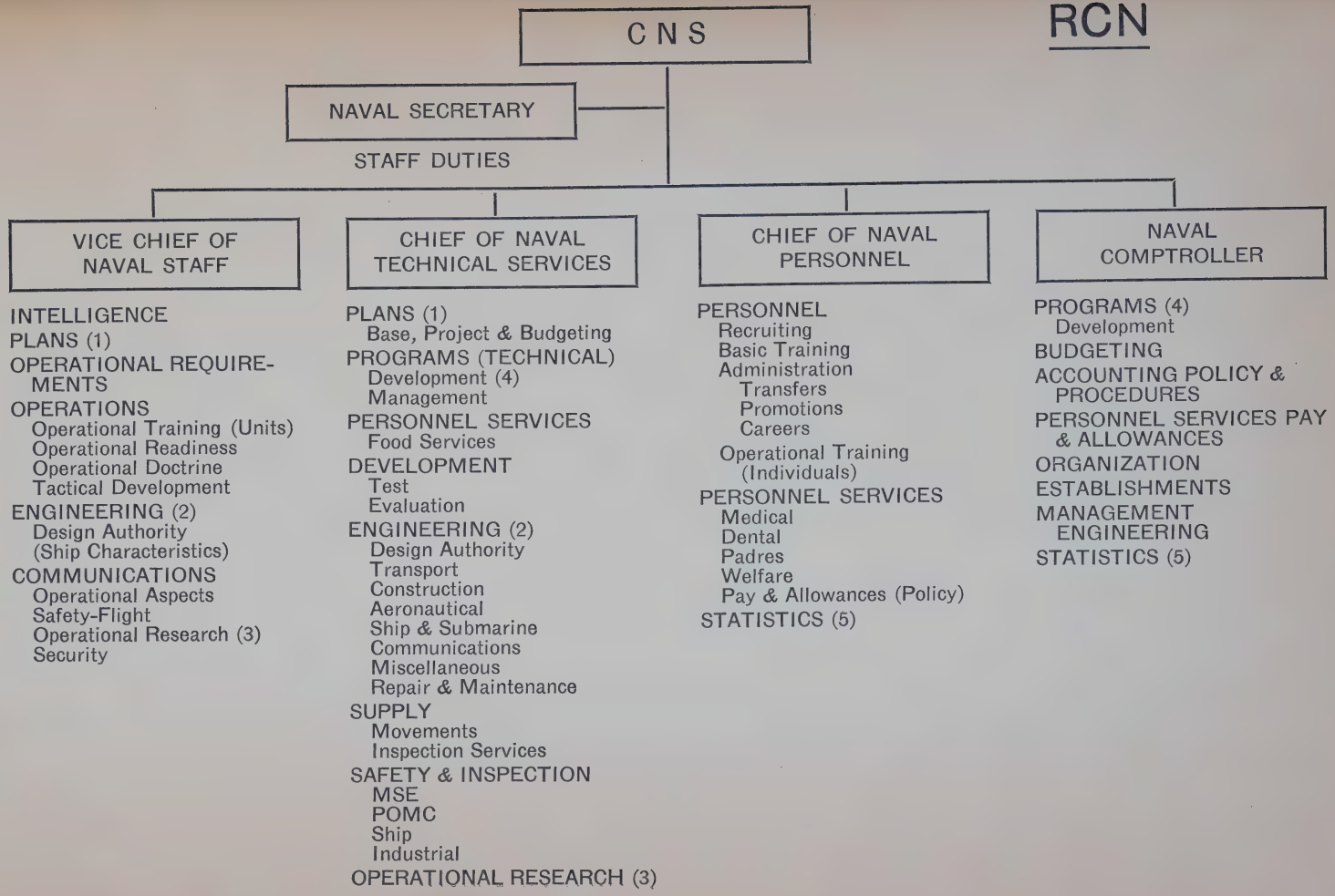
In addition to the above, specialist advisers from the defence department will be expected to attend on any matters affecting their specialities under consideration. These advisers would normally be the functional heads, as will be designated on the chart of the defence staff. The functional heads will not be full members of the defence council; they will, however, be expected to attend as specialist advisers whenever necessary. This same criterion would also apply to the associate deputy minister and four assitant deputy ministers in respect of matters within their field.

The defence council in this concept would then consist of the minister of national defence, the associate minister of national defence, the parliamentary secretary, if any, the deputy minister of national defence, the scientific adviser to the minister, who is the chairman of the defence research board, the chief of the defence staff and the vice chief of the defence staff. The principal departments which might be expected to provide representatives to attend specific meetings are the Department of External Affairs, the Department of Finance and the Department of Defence Production.

I would like now to outline the senior military staff organization. I will begin by reviewing the present organization of the services as it exists. The organization of each of the three services varies considerably.

The Royal Canadian Navy is organized on a part functional and part regional basis; the Army on a geographical basis; and the Royal Canadian Air Force on a functional basis. This chart shows the organization of the Royal Canadian Navy. At headquarters, one sees the chief of naval staff is assisted by members of the naval board, which include the vice chief of the naval staff, the chief of naval personnel, the chief of naval technical services, and the naval comptroller. The command structure from headquarters is to the flag officer, Atlantic coast, at Halifax, Nova Scotia; the flag officer, Pacific coast, Esquimalt, British Columbia; and the commanding officer of the naval divisions at Hamilton, Ontario.

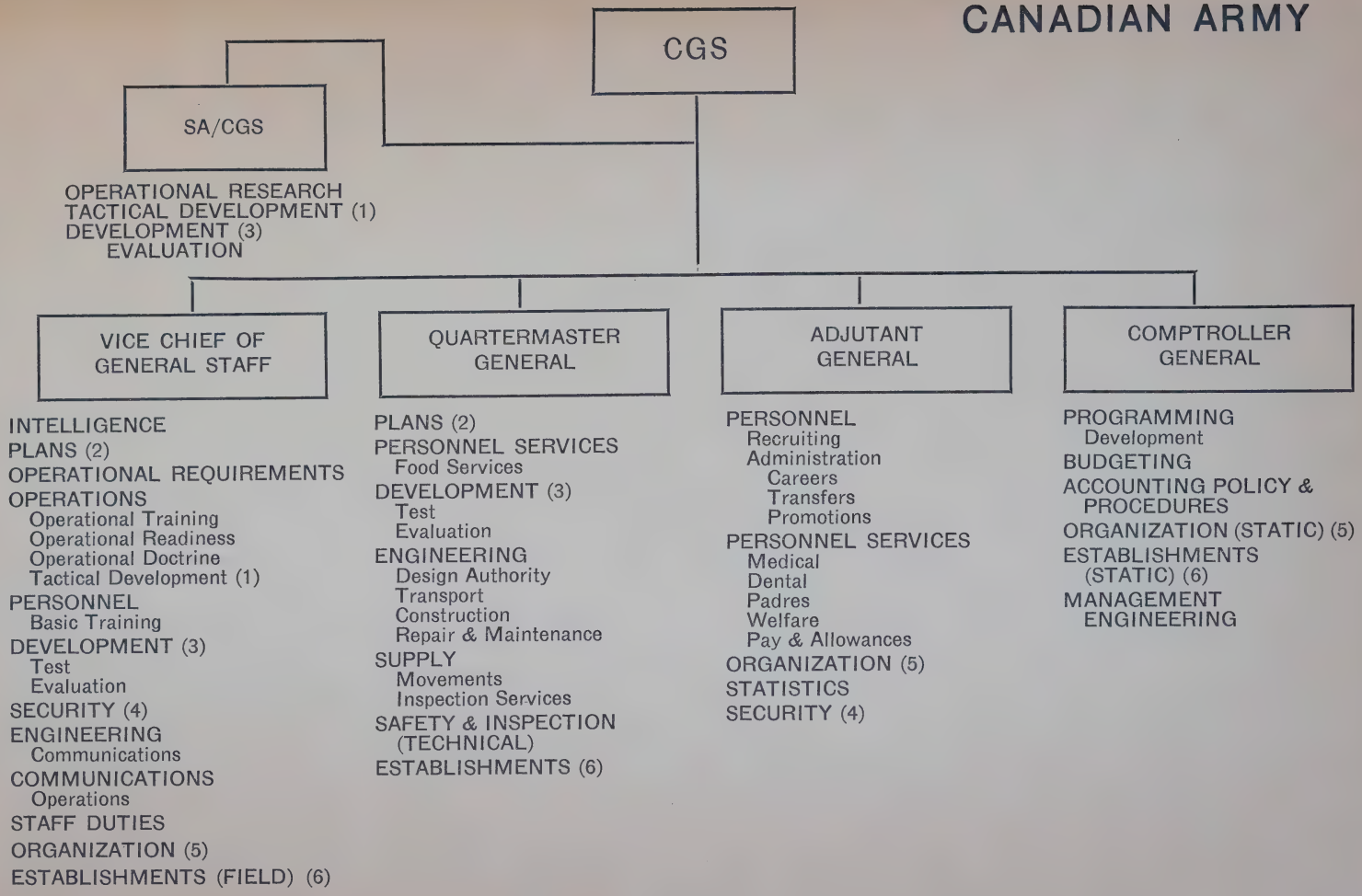
RCN


CNS
NAVAL SECRETARY
STAFF DUTIES
VICE CHIEF OF NAVAL STAFF
INTELLIGENCE
PLANS (1)
OPERATIONAL REQUIREMENTS
OPERATIONS
Operational Training (Units)
Operational Readiness
Operational Doctrine
Tactical Development
ENGINEERING (2)
Design Authority (Ship Characteristics)
COMMUNICATIONS
Operational Aspects
Safety-Flight
Operational Research (3)
Security
CHIEF OF NAVAL TECHNICAL SERVICES
PLANS (1)
Base, Project & Budgeting
PROGRAMS (TECHNICAL)
Development (4)
Management
PERSONNEL SERVICES
Food Services
DEVELOPMENT
Test
Evaluation
ENGINEERING (2)
Design Authority
Transport
Construction
Aeronautical
Ship & Submarine
Communications
Miscellaneous
Repair & Maintenance
SUPPLY
Movements
Inspection Services
SAFETY & INSPECTION
MSE
POMC
Ship
Industrial
OPERATIONAL RESEARCH (3)
CHIEF OF NAVAL PERSONNEL
PERSONNEL
Recruiting
Basic Training
Administration
Transfers
Promotions
Careers
Operational Training (Individuals)
PERSONNEL SERVICES
Medical
Dental
Padres
Welfare
Pay & Allowances (Policy)
STATISTICS (5)
NAVAL COMPTROLLER
PROGRAMS (4)
Development
BUDGETING
ACCOUNTING POLICY & PROCEDURES
PERSONNEL SERVICES PAY & ALLOWANCES
ORGANIZATION
ESTABLISHMENTS
MANAGEMENT ENGINEERING
STATISTICS (5)

The next chart represents the organization of the Canadian army as it presently exists. At headquarters, the chief of general staff is assisted by the members of the army council, including the vice chief of the general staff, the adjutant general, the quartermaster general, and major general survival, and the comptroller general. In Canada, the command structure from headquarters includes western command headquarters at Edmonton, Alberta; central command headquarters at Oakville, Ontario; Quebec command headquarters at Montreal, province of Quebec; and eastern command headquarters at Halifax, Nova Scotia.

Outside these various commands are the brigade group in Europe and the various armed forces assigned to the United Nations.

CANADIAN ARMY

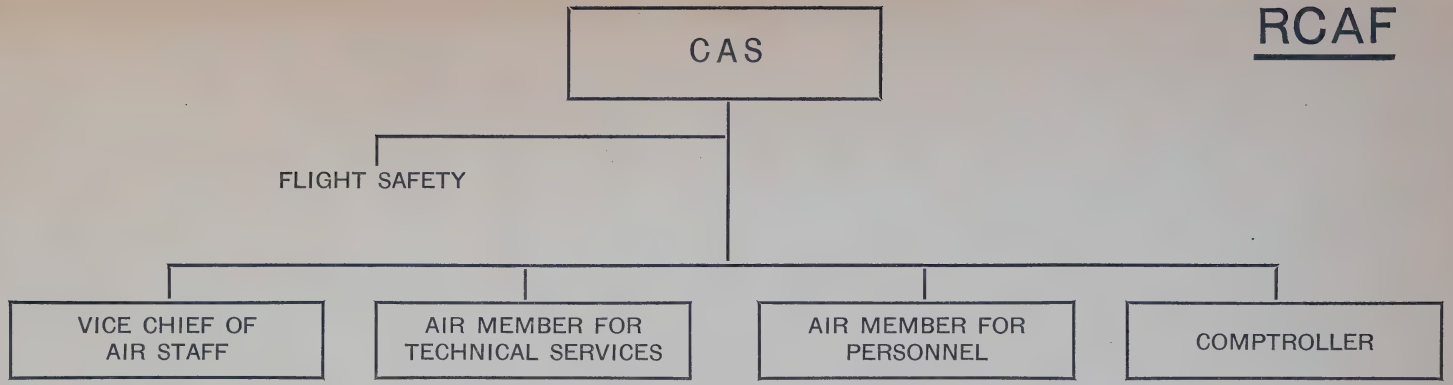


This is a chart of the Royal Canadian Air Force headquarters organization.

The chief of air staff is assisted at headquarters by members of the air council including the vice chief of the air staff, the air member for personnel, the air member for technical services, and the comptroller.

The air force commands are on a functional basis including training headquarters command at Winnipeg, Manitoba, the maritime air command headquarters at Halifax, Nova Scotia, the air transport command headquarters at Trenton, Ontario, the air materiel command headquarters at Rockcliffe, Ontario, and the air defence command headquarters at St. Hubert, Quebec. In addition there is the No. 1 air division at Metz, France.

RCAF



- INTELLIGENCE
- PLANS
- PROGRAMMES
  - Development
- OPERATIONAL REQUIREMENTS
- OPERATIONAL RESEARCH
- OPERATIONS
  - Operational Training
  - Operational Readiness
  - Operational Doctrine
  - Tactical Development
  - Tactical Evaluation
- SYSTEMS EVALUATION

- PROGRAMMES
  - Management
- DEVELOPMENT
  - Test
  - Evaluation
- ENGINEERING
  - Design Authority
  - Transport
  - Construction
  - Aeronautical Engineering
  - Communications
  - Repair & Maintenance
  - Miscellaneous
- SUPPLY
  - Movements
  - Inspection Services
- SAFETY
  - MSE
  - POMC
  - Industrial
  - Nuclear

- PERSONNEL
  - Recruiting
  - Basic Training
  - Administration
    - Careers
    - Transfers
    - Manning
- PERSONNEL SERVICES
  - Medical
  - Dental
  - Padres
  - Welfare
  - Food Services
- STAFF DUTIES
- SECURITY

- BUDGETING
- ACCOUNTING POLICY & PROCEDURES
- PAY & ALLOWANCES
- ORGANIZATION
- ESTABLISHMENTS
- MANAGEMENT ENGINEERING
- STATISTICS

This chart represents the proposed unified headquarters of the armed forces of Canada.

Under the minister and associate minister will be the chief of defence staff and his vice chief. Reporting to the chief of defence staff will be the divisional heads of the armed forces, the chief of operational readiness—and I may say that the categories here are set up as indicative for planning purposes; the planning is now proceeding. This is the organization as it is presently contemplated. It must of course be subject to change if experience should show that change is required.

We have the four deputy heads, the chief of operational readiness, chief of personnel, chief of logistics and engineering, and the comptroller general. Each of these will have a deputy, the deputy chief of operational readiness, the deputy chief of personnel, and the deputy comptroller general.

In respect of the chief of logistics and engineering however there will be two deputies. This is to divide the heavy work load between the deputy in charge of logistics and the deputy in charge of engineering and development. This is a variation from the proposal to establish an additional head.

We think it will work satisfactorily and that it will accomplish our purpose. However, if in the future it should be found that it does not work satisfactorily, we would be prepared to take another look at it.

Responsibilities under each of these are planned to be as follows: under the chief of operational readiness, forces readiness for all the armed forces of Canada; operational training and training standards required to keep satisfactory our state of readiness in the forces; combined training; operational doctrine; tactical developments; standard operating procedures; communications; and safety.

Under the chief of personnel will be recruiting; manning; individual and basic training; personnel administration including careers, postings, promotions; personnel services including dental, medical, chaplain, welfare; and pay and allowances.

Under the chief of logistics, on the logistic side, will be stores and supplies; movements; transportation; accommodation; victualing; and repair and maintenance.

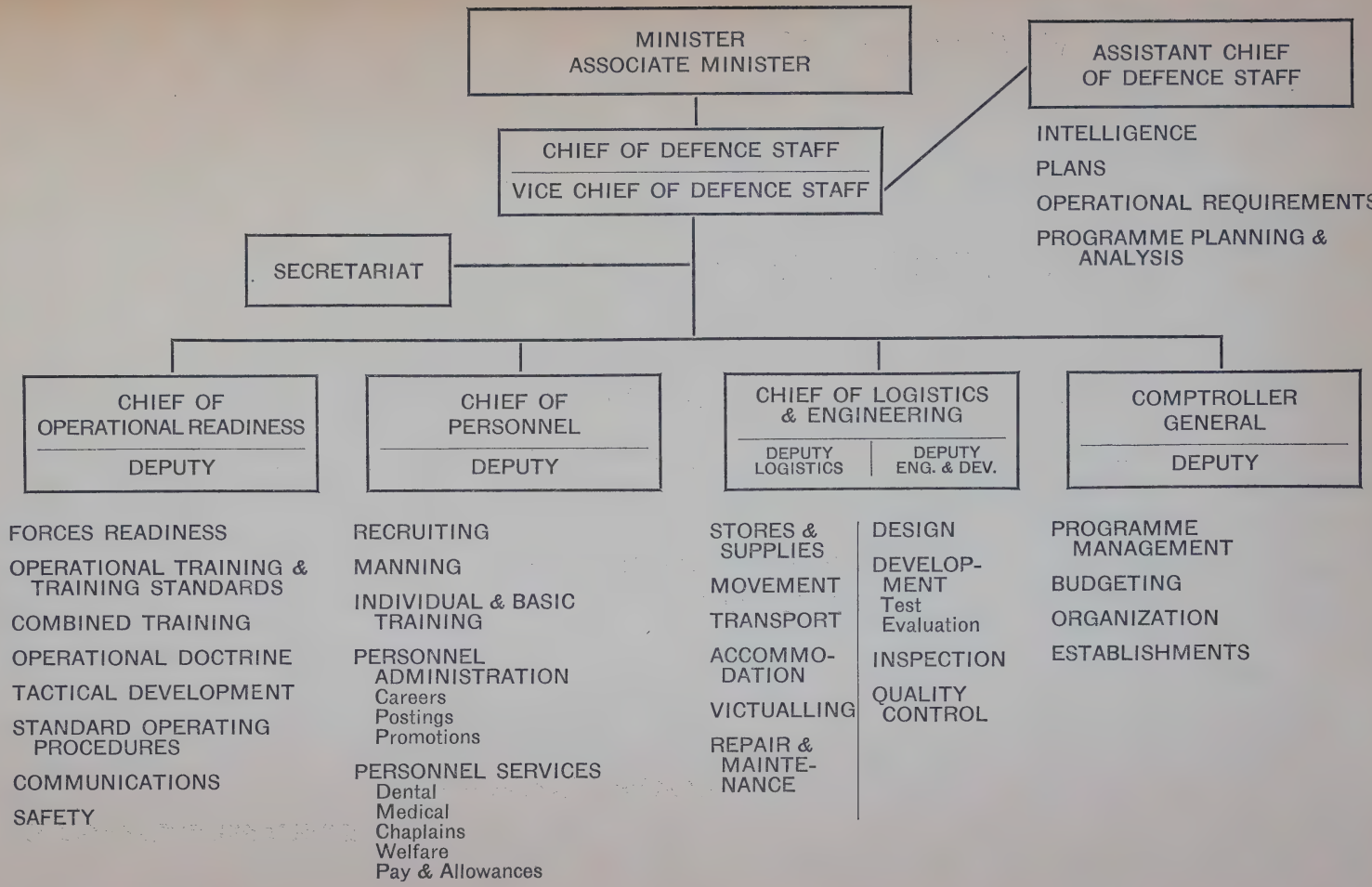
On the engineering and development side will be design, development, test, evaluation, inspection and quality control.

Under the comptroller general will be program management, budgeting, organization and establishments.

Reporting directly to the chief of defence staff and his vice chief will be the assistant chief of defence staff responsible for intelligence, plans, operational requirements, programming, planning, and analysis. This division has been adopted because what we are doing has no precedent and because of the necessity to have close co-ordination in respect of planning where elements of the three traditional forces can be combined into a single plan and single program, and where this can be done under the close and immediate supervision of the chief of defence staff or his vice chief.

There will be a secretariat as there is in the case of each of the present armed forces. The method of handling communications to and from commands will be exactly the same as it is at present. Communications to and from commands will go through the defence secretariat and be sent from the secretariat to the appropriate functional division for attention.

In respect of the rank structure it will be this. I think perhaps I will use the army ranks and equivalents because they are best known. The propensity seems to be to use the United States army ranks, and I note this being done now in the reorganization of the British forces. I do not know whether that will be an ultimate universal arrangement or not but I think if we use our present army equivalent ranks they will be understood by all.


MINISTER
ASSOCIATE MINISTER
ASSISTANT CHIEF OF DEFENCE STAFF
INTELLIGENCE
PLANS
OPERATIONAL REQUIREMENTS
PROGRAMME PLANNING & ANALYSIS
CHIEF OF DEFENCE STAFF
VICE CHIEF OF DEFENCE STAFF
SECRETARIAT
CHIEF OF OPERATIONAL READINESS
DEPUTY
CHIEF OF PERSONNEL
DEPUTY
CHIEF OF LOGISTICS & ENGINEERING
DEPUTY LOGISTICS
DEPUTY ENG. & DEV.
COMPTROLLER GENERAL
DEPUTY
FORCES READINESS
OPERATIONAL TRAINING & TRAINING STANDARDS
COMBINED TRAINING
OPERATIONAL DOCTRINE
TACTICAL DEVELOPMENT
STANDARD OPERATING PROCEDURES
COMMUNICATIONS
SAFETY
RECRUITING
MANNING
INDIVIDUAL & BASIC TRAINING
PERSONNEL ADMINISTRATION
Careers
Postings
Promotions
PERSONNEL SERVICES
Dental
Medical
Chaplains
Welfare
Pay & Allowances
STORES & SUPPLIES
MOVEMENT
TRANSPORT
ACCOMMO-DATION
VICTUALLING
REPAIR & MAINTE-NANCE
DESIGN
DEVELOP-MENT
Test
Evaluation
INSPECTION
QUALITY CONTROL
PROGRAMME MANAGEMENT
BUDGETING
ORGANIZATION
ESTABLISHMENTS

The chief of staff will hold the rank of full general or equivalent. The vice chief of defence staff will hold the rank of lieutenant general or equivalent. The chief of operational readiness, the chief of personnel, the chief of logistics and engineering and the comptroller general will each carry the rank of lieutenant general or equivalent. The deputy chiefs of operational readiness, personnel, logistics, engineering and development, and the deputy comptroller general as well as the assistant chief of defence staff will have the rank of major general or equivalent.

In considering this organization as against the present combined organizations at national defence headquarters the number of positions of general rank, and that is major general and above, in the headquarters organization is reduced from 17 as it is at present to 12. It is anticipated that similar savings can be effected as the integration proceeds on down through other echelons.

I might say, in case any member may notice this, that the calculation does not include the surgeon general because he is not included in this headquarters staff.

That, Mr. Chairman and gentlemen, is the proposed organization of the military forces of Canada. It is a straightforward organization. It is one that we feel will operate satisfactorily, one that we feel will operate efficiently. We have no doubt that it will be able to keep our armed forces in a high state of readiness and, at the same time, effect the savings and improvements throughout the headquarters organization and the support organizations that we feel are absolutely essential.

One further point should be mentioned. We have given each chief a deputy. There is no experience or work load on which to base this, and it may or may not be proven through time to be an absolute requirement. However, certainly for the present time, it is felt that it is necessary for two important reasons. The work load in each case will be very heavy and there are many problems to be solved. Each step has to be carefully thought out and there will be standardized procedures to be developed in each case. Consequently, the work load will be very considerable and the deputy will have the authority to substitute for the functional head in his absence, if he is on leave or ill, and will be able to assist in relieving him of a considerable part of the heavy work load. In addition to that, there is in the establishment of a unified headquarters staff at the outset the necessity for achieving a proper balance of skills and training. In other words, it is necessary to have a combination of people who are thoroughly familiar with all aspects of the defence forces of Canada and who have experience in the navy, army and air force, who are trained in all the operational aspects of our defence forces, and who are thoroughly familiar with all of the problems that will be raised. It is our intention that the deputy chief, at the outset—and I must underline that this is an interim measure which is necessary as we grow into this combined operation—will be from a different service from that of the functional chief. This will give the balance of experience and training necessary to make sure that there are no gaps in the total amount of knowledge and experience required to make the organization effective.

I think, Mr. Chairman, that pretty well sums up my presentation in respect of the bill. If there are any questions that hon. members would like to pose I will do my best to deal with them.

Mr. MATHESON: May I suggest that the charts which we have studied be included in the record?

The CHAIRMAN: Arrangements are being made to have the charts included. Before we start questioning the minister, I would suggest that we proceed with our questioning on the same basis as we did during the last session, that is I will take your names and we will try to exhaust one topic before moving on

to a second topic. Supplementaries therefore will not be asked, but you will indicate that you want to speak on the same topic.

Mr. TEMPLE: Thank you, Mr. Chairman. Before we get into the charts on the unification may I say that a good many questions have been asked me regarding the proposed reductions of 10,000 personnel. I understand that already some 500 officers of the R.C.A.F. are due for discharge in July. Could you tell the committee how many of the 10,000 will be discharged through normal retirements?

Mr. HELLYER: I do not think we can give any precise information in this regard because the determination of the actual people to be retired is only possible as we go through each individual stage. We might be able to give the committee some very rough approximations, and if the committee would like to have further information on this particular aspect perhaps we could prepare a special paper on the subject of retirements which could be made available perhaps on Thursday.

Mr. TEMPLE: To follow that question, I believe legislation would be necessary to amend the superannuation act concerning the armed services.

Mr. HELLYER: In order to waive the penalties; is that what you mean?

Mr. TEMPLE: That is right.

Mr. HELLYER: I think it is proposed—and the associate minister can correct me if I am wrong—that this should be done as an item in this year's supplementary estimates.

Mr. TEMPLE: Then in effect will these 500 officers who are to retire in July not be penalized, or will they have to wait for some months or longer?

Mr. HELLYER: It is our intention that they will receive all of the benefits which are planned but this is of course subject to the parliamentary approval.

Mr. TEMPLE: I take it then that legislation will be introduced soon?

Mr. HELLYER: It will be included in the next supplementary estimates.

Mr. TEMPLE: Regarding severence pay, I understand that the individual serviceman being retired will pay 85 per cent of the ordinary income tax rate.

Mr. HELLYER: Yes, of his ordinary income tax rate on the benefits.

Mr. TEMPLE: Let us say someone is making $7,000 a year and he is being prematurely retired. Let us say his severence pay might come to $3,000. Will he pay his income tax on the whole $10,000 or not?

Mr. HELLYER: I think the important point is that the rate will not be increased as a result of the additional increment. They will just be paying 85 per cent of the rate they would have been paying without any special benefits. This is a special arrangement which applies to members of the armed forces. They would not pay a higher rate as a result of the special benefits.

Mr. TEMPLE: I also believe that some years ago in the United Kingdom they had a somewhat similar situation and that income tax was not paid. If I am correct on that, why is income tax being paid even at the rate of 85 per cent?

Mr. HELLYER: This question can be better directed to treasury. We have not made a habit in this country of making payments which are not subject to tax. This is a long established principle and I think probably it was felt the establishment of a precedent of this nature inevitably would lead to requests that this be applied to the whole economy, to the retirement benefits for everyone, including civilians.

Mr. TEMPLE: I know it is difficult to have an exact chart showing the amount which each retired serviceman will receive because of the length of time they are in and the different ranks they have held from time to time, as a

result of which the amounts will vary, but could the committee have a rough outline in the near future of the procedure concerning severance pay.

Mr. HELLYER: Mr. Temple, I think the information is pretty well public, but if you would like to have a schedule of the benefits payable to a representative group of different ranks and with different lengths of service this probably could be prepared. However, I would hope the request would be kept to a reasonable minimum in respect of the number of examples given in order that it would not require too much computation.

Mr. LAMBERT: I have a question.

The CHAIRMAN: Mr. Lambert, is it on the same subject matter?

Mr. LAMBERT: No, Mr. Chairman. I want to get away from the bread-basket aspects of this, I think a lot of this is quite theoretical. This plan of retirement will be phased out over a number of years so that we will have varying degrees of service between now and that time. This is not the current problem. My concern is the basic criteria which have motivated the minister to come to this decision in respect of unification of command. It would appear from your remarks that it concerned savings of money; in other words that the minister was looking forward to obtaining money out of the defence budget, which seems to be pretty well fixed by circumstances, for other purposes than, shall we say, housekeeping, and in order to get this extra money he had to go after personnel. In my opinion, this has been the basic criteria. I am interested in the balance of military efficiency.

Mr. HELLYER: In my statement I mentioned there were two criteria; the first and most important is a streamlined effective force capable of co-ordinated action, the single plan, and the second is the maximum elimination of duplication, with consequent savings.

Mr. LAMBERT: Well, those are a lot of fine words but what I am concerned about are the basic criteria. Is it for the improvement of military efficiency of the forces, starting with this command structure, or is it a question of savings of dollars which is the prime consideration?

Mr. HELLYER: It is both, Mr. Lambert, and you cannot separate them because, first of all, the organization is important from the standpoint of response, readiness and co-ordination. But, in addition to that, the availability of modern weapons and equipment is important in order to have a highly flexible and ready force. These things are complementary and it is impossible to consider them in complete isolation because, in fact, they are related. It is for both reasons we have made the proposals that are now before you.

Mr. LAMBERT: Well, I want to make it quite clear that I agree with the idea of unification of command. I have my own reasons for it but I wanted to know your reasons because you are the one who is putting the changes into effect. I want to get to the crux of this whole matter. I want to know your ultimate plans and upon what advice you have acted in this connection.

Mr. HELLYER: I think the motivation is simply this, to get the maximum amount of effective forces in the highest state of readiness for the least amount of money.

Mr. LAMBERT: Yes; I have heard that from four or five different ministers and I think that is a general hope of all ministers of defence, together with other ministers. But, where does the advice come from in this regard. Were you under advice in this regard?

Mr. HELLYER: The advice comes from many sources, as you know. The ministers obtain their advice from many persons. I have mentioned a number of the committees, both ad hoc and otherwise, which advise the minister. These are sources of advice.

Mr. LAMBERT: Was the plan which now has been disclosed to this committee primarily the result of the studies of the minister which he spoke about at the last hearings?

Mr. HELLYER: The report primarily is based on the experience of ministers in the administration of the armed forces of Canada.

Mr. LAMBERT: That is your own experience?

Mr. HELLYER: Not at all; our experience plus the advice and the reports of the studies all combined. There is one concept.

Mr. LAMBERT: Perhaps the minister will be a little more open. I am not trying to beat you. I want your view. What was the source of the planning for this reorganization? I know you had your committee; you had your own idea. Presumably advice was sought from the chiefs of the various services; but where else?

Mr. HELLYER: Like yourself, Mr. Lambert, I do a considerable amount of reading, as does the associate minister, and we get ideas and advice from many sources. I do not think we should waste too much time finding out what each individual thinks. Under our system, the ministers of government are responsible for the decisions made in the proposals put forward to parliament. Regardless of where the advice comes from, how slanted or how put together, the ministers have the responsibility and it is on that basis we are prepared to discuss the proposal put before you.

Mr. LAMBERT: The minister is asking the committee to examine what would be a fundamental reorganization of the forces. He is asking us and parliament to approve of it on his word and on the word of the government. Is that the sole yardstick we are to use? I am attempting to find out what have been the yardsticks to evaluate this plan.

Mr. HELLYER: I think it is the responsibility of each member of the committee to apply his intellect to the problem and solution and decide for himself whether the proposals put forward are the best ones or not.

Mr. LAMBERT: Well, I see we have a disagreement with the minister in this regard on this point; at least I have.

Mr. MATHESON: Personally, I take the strongest exception to the proposition made by the Vice-Chairman of the Committee that this committee should engage in a searching and probing operation to see which members of the minister's staff might agree or disagree with recommendations he proposes to bring before parliament, and this committee. Surely, the former Privy Councillor, my friend the Vice-Chairman of this Committee, is not going to suggest that a defence committee is going to act in that irresponsible fashion; if so, surely the usefulness of this committee has come to an end.

The CHAIRMAN: It is now 12.30 p.m. We will adjourn until Thursday.

Mr. LAMBERT: Mr. Chairman, I am not asking for individual names of advisers of the minister. I wanted him to indicate generally the source of this plan. I do not accept Mr. Matheson's observation.

The CHAIRMAN: The meeting is adjourned. May I see the members of the steering committee for a few moments?

HOUSE OF COMMONS

Second Session—Twenty-Sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, MAY 28, 1964

Bill C-90, An Act to amend the National Defence Act.

WITNESS:

The Honourable Paul T. Hellyer, Minister of National Defence.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20875—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
Nielsen,
Pilon,
Smith,
Temple,
Winch—(24).

Quorum 13.

E. W. Innes,
Clerk of the Committee.

ORDER OF REFERENCE

WEDNESDAY, May 20, 1964.

Ordered,—That the Special Committee on Defence be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto; and that it be granted leave to sit while the House is sitting.

Attest

LEON J. RAYMOND,
The Clerk of the House.

20875—1½

MINUTES OF PROCEEDINGS

THURSDAY, May 28, 1964
(3)

The Special Committee on Defence met at 11.00 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacRae, Matheson, Pilon, Smith, Temple, Winch (17).

In attendance: Honourable Paul T. Hellyer, Minister of National Defence; and Honourable Lucien Cardin, Associate Minister of National Defence.

On motion of Mr. Laniel, seconded by Mr. Fane,

Resolved,—That the time of the meetings of this Committee be changed to 11.00 a.m. on Tuesday and Thursday mornings.

The Chairman announced that the Steering Subcommittee soon will suggest the names of outside witnesses to be called respecting Bill C-90.

Agreed,—That information, respecting retirement of service personnel, tabled today by the Minister, as requested by Mr. Temple on May 26, be printed in the Committee's records. (*See Appendix "A" to today's Proceedings*)

The Committee resumed consideration of Bill C-90, An Act to Amend the National Defence Act.

The Minister, Mr. Hellyer, was further questioned respecting his statement to the Committee on May 26.

Mr. Winch suggested that the committee give early consideration to the matter of the involuntary retirement of certain personnel from the defence services. This question was referred to the Steering Subcommittee.

At 12.30 p.m. the Committee adjourned until 11.00 a.m., Tuesday June 2, 1964.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

THURSDAY, May 28, 1964.
11 a.m.

The CHAIRMAN: We now have a quorum. The meeting will come to order.

Before we start on the Bill I should like to say that at our last meeting the Steering subcommittee made a recommendation that the hours of sitting be at 10:30 a.m. on Tuesdays and Thursdays. It was recognized that there is a conflict at that hour with a number of other committees. Since the last meeting I have had some discussions with the Chairman of the Public Accounts Committee and I have an understanding that they are going to change their hours of sitting to 9:30 a.m. to 11 o'clock. This means that, if we start at 11 o'clock, we will follow them. It may not solve the problem for members who are on two committees—who may find it too much to sit from 9:30 continuously—but it will at least solve the problem as far as accommodation and staff are concerned. We will then be able to have a room with simultaneous translation, and so on.

Mr. FANE: So our sittings in this Committee will be at 11 o'clock, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. HARKNESS: How long are our sittings supposed to last?

The CHAIRMAN: Eleven to one o'clock—we will begin one half hour later.

I will read the recommendation of the subcommittee:

> That the time of the meeting of this committee be changed to 11 a.m. on Tuesday and Thursday mornings.

Mr. LANIEL: I so move.

Mr. FANE: I second the motion.

Motion agreed to.

The CHAIRMAN: If anyone would like to speak in the French language today, there are Interpreters available. There is no Shorthand Reporter to take down French, therefore the interpretation would have to be taken down.

At our next meeting we will bring forward a Steering Committee Report indicating the witnesses to follow the Minister and Deputy Minister.

There are some sheets here containing answers by the minister to questions asked by Mr. Temple. These will be distributed to members of the Committee, and if it is agreeable to the Committee I would suggest that they be printed as an appendix to the proceedings of today's sitting. (*See Appendix "A"*)

Mr. HARKNESS: I would suggest, in connection with the questions that were asked by Mr. Temple at the last meeting, that a definite time be arranged to go into all of those matters.

Mr. WINCH: May I say, first of all, that I apologize for being late—it is the first time in 11 years—but unfortunately my ankle is to blame.

May I ask, sir, whether or not it is your policy that we should continue today with the first question that was asked by Mr. Temple at our last meeting. If so, then I would like my name to be put down on your list.

The CHAIRMAN: I think we were discussing the organization of the Department. We had started on that line of questioning. As soon as we exhaust that

line, we will go back to the area opened up by Mr. Temple, and proceed in that direction.

We have here today the Minister of National Defence and the Associate Minister of National Defence, and we will now proceed to consideration of Bill C-90, Clause 1, and with the questioning of the Minister. Might I suggest that the acoustics here are not very good, and so I would ask members to speak clearly and loudly, please.

On clause 1—*Duties of chief of defence staff.*

Mr. MacRae: Mr. Chairman, my question is directed to the Minister, and then there will be two or three brief related questions. What has been the actual duty and responsibility of the chairman of the joint chiefs of staff up to this particular point? I think we now have a pretty good idea of what the new chief of the defence staff will do, but I would like to know what the chairman of the joint chiefs of staff has done up to this point; what has been his role?

Hon. Paul Hellyer (*Minister of National Defence*): Mr. Chairman, the chairman of the chiefs of staff committee has presided over meetings of the chiefs of staff committee which have included, in addition to himself, the three chiefs of staff, the chairman of the defence research board, and the attendance of the deputy minister. His role has been largely one of co-ordinator of proposals put forward by the various chiefs of staff and by other committees which have reported to the chiefs of staff committee. In addition to that, he has been the officer primarily responsible for negotiations between the government of Canada and the Department of National Defence, the North Atlantic Treaty Organization and the North American air defence command, in respect of military policy matters and requirements.

Mr. MacRae: Have the chiefs of staff of the three services up to this point had direct access to the ministry? In other words, could they bypass the chairman of the joint chiefs of staff if they so chose?

Mr. Hellyer: Yes.

Mr. MacRae: My final question, Mr. Chairman, is this: I would like the minister to define the difference, if there is any, between the deputy minister's role in the past, before the passage of this act, in the integration of the armed forces, and any role he may have in the future. Will there be any difference whatsoever?

Mr. Hellyer: The deputy minister will go into the answer to this question in more detail when he appears before you, but fundamentally his role will be the same. He has an overriding jurisdiction in respect of the use of resources in the Department of National Defence. I think the main difference will be in practice, in that it is proposed, that submissions from the military force, from the chief of defence staff to the minister and associate minister, will be considered and analysed by the deputy minister's staff before they are considered in the defence council and before decisions are taken in respect of them. In other words, the civilian branch of the department will examine all proposals having to do with policy or the expenditure of public funds before decisions are made, so that the minister will have the advantage of a civilian point of view and a reassurance that all major considerations have been taken into account in respect of the proposal which is being considered.

Mr. Harkness: Has this not always been done?

Mr. Hellyer: No, I am afraid it has not always been done in respect of all matters. It has been done in respect of some matters, particularly those having to do with the administration, but there have been many cases throughout the years when proposals, particularly those having operational aspects, have not been given any analysis other than the analysis they received in the forces before being proposed to the minister.

The CHAIRMAN: I have on my list Mr. Groos, Mr. Fane and Mr. Laniel.

Mr. MACRAE: My questions are finished.

Mr. SMITH: Can I ask a supplementary question to Mr. MacRae's question?

The CHAIRMAN: We are trying to avoid supplementary questions.

Mr. SMITH: Do we not lose the thread of continuity? That was one of the advantages of the system under which we operated last year, that we were allowed a certain continuity.

The CHAIRMAN: Let us try supplementaries if they are strictly on the topic of the last question and if they are brief.

Mr. SMITH: My supplementary was related to the duties of the deputy minister. Does not the new organizational chart indicate that there might be a duplication of the work of the deputy minister and the comptroller general?

Mr. HELLYER: There is inevitably some duplication when you have work prepared by a military organization which is then reviewed by the civilian organization. There is bound to be an overlapping and a duplication in such a case. The goal is to get the amount of review which will satisfy the minister and the government, and through them parliament, that the decisions taken are the right ones without, at the same time, affecting reviews on such a scale that it will slow down and interfere with the work of the military organization. This is a delicate balance, but some review is required. We hope to get a balance which will permit all points of view to be put forward without, at the same time, engendering undue delay.

Mr. GROOS: I wonder if we could have that chart up there again, Mr. Chairman—the organization chart. We have only the little one.

Mr. Chairman, I was very interested to see this organizational chart as it has been drawn up, and of particular interest to me was this new position of the chief of operational readiness. To my mind, this will prevent the three services from walking down different roads and it will prevent the three getting out of step with one another when travelling down the same road. I become a bit nervous when I look at the idea of co-ordination in respect of the three armed services piecemeal, and I wonder if the minister is in a position at this time to tell us how far this unification is going to go. I am sure it would help us if we could see how this particular organization will fit into the overall organization.

Mr. HELLYER: Well, this is the step proposed at the present time and this is the step which is immediately consequential upon bill C-90, which we are considering. As to what further steps are taken, these will have to be worked out by the defence staff, and this is one of the reasons for the early appointment of a defence staff.

So far as the ultimate objective is concerned, this has been clearly stated in the white paper, and I think this is a fair recognition that this is the first step toward a single unified force for Canada.

Mr. GROOS: I understand that but I am concerned with the extent of unification. We have seen statements made that we expect to have the three services unified by 1967. As I said, it is really the extent of the unification which interests me, and I think that is only reasonable.

We have seen this complete unification at the very lowest level now. We have three individual services which, I am sure, can be unified in some way into a single service. But, it is the method of doing this and the extent of the unification at the lower level which interests me. I do not want to put any thoughts into your mind but I would like to hear your views on this matter.

Mr. HELLYER: My views are that the defence staff will evolve this unification down through the various strata on a continuous and careful basis as they

proceed, and I think it would be wrong at this stage to anticipate the immediate steps and how long they will take. These matters have to be carefully thought through and carefully worked out. But, we have decided, and I think it is the right course because it was given a lot of consideration, to start at the top. First of all, there is very little argument about unifying the top command. This will permit co-ordination; it will permit a unified policy and even, more important, it will permit the implementation of a unified policy which would not have been possible, in my opinion, without this kind of unified headquarters structure.

Now, as to how they will proceed at the lower strata, I think we must wait to determine as recommendations come forward. In effect, what changes will take place in functional or area commands will have to be considered from recommendations put forward. We think this is the right method of approach because it is an evolution rather than attempting to predetermine precisely what an ultimate theoretical structure will be. I think we will work it out in practice and see how it responds to the new command control.

Mr. GROOS: In other words, you will start at the top with unification; you will be working down and you will be prepared to stop at any level that it becomes necessary, and it is not definite that all three services are going to be completely unified down to the lowest level, even though there will be a certain amount at all levels.

Mr. HELLYER: I think all one can do in this case is to project some sort of a common sense standpoint of what is likely to happen. There are so many trades which are common to two or more services that it is likely after several years of cross-posting, after men have been posted only on the basis of where they can serve best and, secondly, where they can enhance their own careers best, that you will have sufficient movement between the three traditional armed forces that, in fact, they become unified.

I think this is what you would expect to happen. Only time will tell how precisely it follows the anticipation, but this is what I would expect to happen. There have been many cases of surpluses of manpower and trades in one service which were not, in fact, available to meet shortages in others, but with a single chief of personnel, with his basis of personnel selection being only to meet the needs and requirements of the whole, you will then get a *de facto* unification. This, however, does not mean that everyone is going to be a specialist in every trade, as this is not possible. It is contemplated you will have the same degree of specialization in the unified force as you presently have in a single force. This cannot be avoided. But, what it will mean is that you can take advantage of surpluses of similar or identical trades which now exist in one area and move them freely to another; also, if a trade becomes redundant you can take these people and rather than discharge them as redundant you can retain them, if it is in their interests and the interests of the service, to fill some new function, which does provide a degree of flexibility which has not been available in the past. There are many examples, which I am sure, you are familiar with, where this capability would have been advantageous both from the standpoint of the men and from the standpoint of the services.

Mr. GROOS: I am glad to hear you say that because in the absence of any statement along those lines all sorts of remarks have been made and I think your statement has clarified a number of things.

The CHAIRMAN: Have you a question Mr. Fane?

Mr. FANE: The minister answered one of my most important questions in the statement which he has just completed. I have several more questions. First of all, may I say that I am very pleased to know that the minister realizes that in this case he cannot start at the bottom and unify the services from there up, that the top is the place to start.

However, I have two or three other questions and perhaps one I may have to hold in abeyance until you discuss the special benefits being accorded to those members of the services who are being retired.

Would it be right at this time to ask the minister for information in respect of those members who are being retired. It is my understanding the services are recruiting new men all the time and, in view of this, would it not be possible to keep some of those who already are in the services and move them to different positions rather than discharging them?

The CHAIRMAN: Mr. Fane, if it is agreeable to you I think we should hold that type of question until we get to the proper section when we will be discussing the whole problem in respect of retirements and replacements.

Mr. FANE: Fine. And, I presume, you also would want me to hold any questions in respect of the reserve forces?

The CHAIRMAN: Yes. At this time we are dealing essentially with the organization of the unified command.

Mr. FANE: I would like to register at this time a caveat on the spot to discuss these things at a later date.

The CHAIRMAN: We will be discussing the reserve forces as a separate topic of discussion after we have completed this bill.

Mr. FANE: Then, those are all the questions I have for now.

The CHAIRMAN: Would you proceed, Mr. Laniel.

Mr. LANIEL: In his brief the other day the minister said just a few words on civil control of national defence and, on another occasion, it has been mentioned—and I do not know whether I can attribute this to the minister or to someone else—that the new set-up might bring better control by civilians over national defence. I am wondering whether the minister would emphasize the civil control of our national defence policies, making more or less a parallel between the present system and the present channels in comparison with the changes that will come into effect after the adoption of Bill No. C-90 and implementation of the unification of command, touching on the advantages of these changes.

Mr. HELLYER: Mr. Chairman, I think there are two main advantages in our proposed method of handling things. The first is a reduction in the number of direct channels to the ministers. At the present time, with the six channels of direct input, the material is not co-ordinated to the extent it should be as part of a whole before it has to be considered, and perhaps decided on by the minister.

With the present prerogative of the chiefs of staff to come directly to the minister with their problems and submissions, there are many cases where proposals are dealt with by the minister in isolation from a co-ordinated picture. This will be overcome in our proposed organization by the fact that all military proposals will come through one channel, and therefore must in effect be co-ordinated before they come to the attention of the minister. Therefore, I think this probably is the biggest single improvement; that is, that you will have an over-all picture, an over-all plan, or a combined approach to the national defence requirements at the time it reaches the minister, rather than the minister having to do what he can to co-ordinate the various elements coming from all different directions.

The second major change is the one on which I touched earlier; that is, that in the future it is proposed, in addition to proposals having to do with administration and finance only which in the past have been reviewed by the deputy minister's staff, that all proposals having to do with policy as well as finance will be considered and a point of view registered in respect of them which will be available to the minister for consideration when the subject

is being dealt with. This is a change from the present practice and a strengthening, really, of the civil side of the Department of National Defence, and a re-enforcing of the information available to the minister and to the defence council at the time that major proposals are considered and decided.

Mr. LANIEL: Did not the defence council have at the end the minister, the associate minister, the president and vice president, and more or less obtain the same purpose by having all the chiefs of staff there and the chairman and the council?

Mr. HELLYER: The defence council has been acting less and less for anything except minor administrative matters.

Mr. LANIEL: Not policy?

Mr. HELLYER: Not policy. Policy has been considered in the chiefs of staff committee which, theoretically, has been the main advising body to the ministers and to the government. In the past, however, because of the direct access which has been a right of the individual chiefs, many important, and I would say the most important, matters often have not been given the consideration by the chiefs of staff committee that is required in order to contain them within one program. In other words, they have come from each individual element for consideration rather than come forward as a whole package.

What we want to get, because it is easier to cope with, is a package so that we can look at the whole thing at one time and not have to deal with major items in isolation where in some cases a favourable decision would have a very serious effect on the other proposals which might come forward at a later time, and which might not then be possible because of the allocation of resources which already had been set.

Mr. LANIEL: Did the problem mainly come from a lack of interdependence between the forces and organization up to the point where they were more trying to build up the image of their forces and forgetting about the image of the Canadian defence as a whole?

Mr. HELLYER: I would not say there had been any overt attempt to do that, but I would say so long as you have in effect three separate corporations it is just natural that each one would place a strong emphasis on its own point of view, and each one would consider its position more important, perhaps, relatively than some others. So long as this point of view can be put forward independently of a reconciliation with the others, then the minister is in the position where he really does not have the staff, and the time to effect the reconciliation at that level.

We are sure that the proposed changes will permit the minister to get a total view which will enable him to know all of the individual elements which are proposed so that they can be dealt with as a whole picture rather than in isolation one from the other.

Mr. LANIEL: Thank you.

The CHAIRMAN: Mr. Harkness.

Mr. HARKNESS: Mr. Chairman, I have a number of questions which really flow from the statement which the minister made yesterday. I think these questions are really basic in nature. First of all, from your statement yesterday and from previous statements, it is apparent that the basic premise on which the numbers in the armed forces, the amount to be spent for their food, accommodation, and general maintenance, and which will be available for equipment, and so on, is all based on an expenditure of $1.5 to $1.6 billion a year for defence purposes.

My first question is, how was this figure arrived at as the amount which would meet the defence needs?

Mr. HELLYER: I would say the short answer to that is the same way it was done in the several years when the hon. gentleman was minister of national defence.

Mr. HARKNESS: I would say that during that period the amount varied considerably. It varied considerably depending upon what the circumstances were and what the needs were.

Mr. WINCH: Could the hon. member give us an idea of what the variance was when he was minister of national defence?

Mr. HARKNESS: When the situation in Berlin was particularly threatening, for example, we provided for a considerable increase in our forces and considerable increases in the expenditures as a result.

What I am really interested in is whether any consideration was given, or any calculations made in regard to the amount of money required to meet our commitments to NATO, under the Norad agreement, to look after what we might call the local defence needs for the immediate defence of Canada, and to look after the commitments we already have made and probably commitments for the future, to the United Nations, including some additional ones we have at this time? Was any calculation made along those lines regarding what will be required in the way of forces and new equipment in order to meet all these needs?

Mr. HELLYER: Yes, Mr. Chairman. In fact, the forces' goals which are set out in the white paper. First of all they meet our present commitments to the North Atlantic Treaty Organization and Norad, and make available forces for the United Nations, and project what we believe will be an adequate contribution to these international organizations in future years. This amount of money will permit the organization of and equip the forces as set out. We feel that this is a proper contribution for Canada in the immediate years ahead.

Mr. HARKNESS: Can you place before the committee those calculations regarding the amounts that will be required for these various purposes?

Mr. HELLYER: You already have the over-all figures. You have the forces structure in general terms and you have the amount of money in general terms. As far as budgeting on a functional basis is concerned, this is presently being worked out. As you know, it has not been done in the past and it will take about a year before we can produce the figures by function, which I think will give all of us a better indication of what we have been spending on each function and where we plan to go in the future.

Mr. HARKNESS: As far I can see, the situation was really decided on a financial ground, and expenditures for defence will be kept somewhere in the order of $1.5 or $1.6 billion dollars per year, and the amount of equipment, as I said earlier, and everything else that will be required are based on that figure. No real consideration has been given or no real calculations have been made regarding the amount of money which really is required to meet our defence needs.

Mr. HELLYER: I do not deny that the over-all financial consideration was a factor, and that fact was included in my statement to the committee. I am sure the hon. member would not deny that it was a factor when he was minister, because it was.

Mr. HARKNESS: It is always a factor.

Mr. HELLYER: It is always a factor and cannot be ignored, but at the same time there has also been an evaluation of what the reasonable contribution by Canada would be in the future. The force structure set out in the white paper is considered to be a reasonable contribution in view of the situation existing in the world at the present time. To maintain forces, as set out in the armed

forces, we have indicated it will require approximately this level of expenditures in constant dollars. There will have to be a review as time goes along, depending again on many factors including the international situation.

Mr. HARKNESS: I take it the situation really is that no calculations were made regarding the amount of money that will be required to meet our various defence commitments and needs?

Mr. HELLYER: That is not true. I should use the word "precise" because I do not think our system will permit precise calculations, but a calculation was done in respect of the amount of money required to train and equip the force structure as outlined in the white paper, and that amount is approximately $1,500 million to $1,550 million in constant dollars. This presupposes savings based on the changes in organization which have been outlined to the committee. Unless we can effect the savings which have been indicated then, of course, we cannot get as much equipment as we have set as a requirement.

Mr. HARKNESS: If those calculations have been made I think the committee should have them placed before it.

Mr. LLOYD: Mr. Chairman I should like to ask a supplementary question in respect of that point. My observation is based on the line of questioning by Mr. Harkness dealing with a problem which I would suggest this reorganization will enable you to handle in a better way than in the past. It seems to me we should tie this questioning to the significance of the integration of the forces. Will the integration of the forces as outlined to us by the minister assist the departments in evaluating the effort that Canada should make with its military force, and will it provide a degree of efficiency in arriving at the effort that we should make?

The CHAIRMAN: Perhaps I could make this comment. I have been listening to Mr. Harkness's line of questioning which I feel is really outside the ambit of our current discussion, having to do with the reorganization of our defence structure. I think as long as the discussion deals with or ties in with this defence structure question it is in order. I realize that one of the arguments advanced for this reorganization is a financial one but I think at this stage we should try to avoid a general discussion in respect of budgeting techniques. I think that is a separate topic in itself which I hope the committee will consider at a later date.

Mr. HARKNESS: Mr. Chairman, I would submit that on the basis of the statement made yesterday we should be free to ask questions in connection with that statement and the particular things which were referred to in it. The particular matter I am dealing with I think is absolutely basic to the work of this committee if this committee is in fact really going to consider how the defence of Canada should and could be best carried on.

The CHAIRMAN: I quite agree, Mr. Harkness, that this is a very important factor in dealing with the problem of defence of Canada but I suggest that we should limit ourselves to the implication of this particular problem before us, which is the unification of our defence structure.

Mr. SMITH: Surely one of the bases for unification is the projected savings in one line of national defence which may be applied against another and it would seem that we should be supplied with thoroughly detailed information regarding how these projected savings in respect of personnel are being made so that they may be applied against other defence needs. I believe this goes to the root of the whole matter. In other words, do these savings represent a real projection or are they "ball park figures," to use one of the ministers favourite expressions?

Mr. HELLYER: The answer to that has already been given. They are "ball park figures" because it is impossible to determine what the result will be until each decision has been made, from the standpoint of manpower and its

effect on cost. No secret has been made of the fact that we cannot tell precisely what the savings will be nor where they will be until each step has been taken.

I hope I have not given the impression that we can tell you now which jobs will be eliminated and which functions can be integrated, and the dollar value of each, because it has not been determined. However, "ball park" estimates have been made for planning purposes, and those are the ones that have been stated.

Mr. SMITH: I do not think the minister has given that impression but it has been taken by many people.

The CHAIRMAN: Mr. Harkness was questioning the minister. We moved to a semipoint of order and I think we should now go back to the original line of questioning.

Mr. HARKNESS: The basic point I am trying to make and upon which I am trying to obtain some information is really whether the defence needs of Canada can be met by saying that we will spend $1.5 million or $1.6 million a year and that this will continue for some considerable number of years in the future, irrespective of the conditions and irrespective of whether that amount of money will in effect enable us to meet our needs. Particularly in connection with that I would like to know what proportion of the gross national product this represents.

Mr. HELLYER: I would respectfully submit, Mr. Chairman, in view of the understanding we had that we would discuss this bill and at a later stage go into the broader aspects of defence policy, including the white paper and any discussion that members would like to have in respect to it, that questions relating to the adequacy of the force structure as predicted or the adequacy of our contribution as a percentage of the gross national product and other considerations should be left until that time.

Mr. HARKNESS: In reply, I would say that we have had a statement from the minister, and the members of the committee certainly should be in a position to put forward their own ideas in regard to that statement and in regard to whether or not it really covers the situation. In essence, that is what I am doing here.

The CHAIRMAN: Again, Mr. Harkness, the members of the Steering Committee, in considering how the Committee might tackle our work, were unanimous in the opinion that we should deal with Bill C-90 and everything impinging directly upon Bill C-90, and that we should limit our discussion on Bill C-90 to the specifics covered in the bill; that is, the unification of our command structure. It was decided that we should not deal with the broader problem of integration which, of itself, is a very major and important topic and which will be taken up at a later date I would hope. There are also many items from our last report, including budgeting and factors affecting the amount that is spent by the country on defence, that were listed as topics for study by this committee. I would hope we can deal with Bill C-90 and then move on to these topics one after another in an orderly fashion. I am afraid that if we try to open up a general discussion on defence policy at this time we would be running over the whole area without focusing on the specific problems one after another.

Mr. HARKNESS: I do not think you can get away from general policy in connection with a matter of this kind. As long as there is going to be an opportunity to consider these questions in detail, however, I am quite agreeable to deferring my question.

What agenda has the steering committee set up? What provision has it made for discussion of matters of this kind?

The CHAIRMAN: We have tentatively agreed that when we have finished with Bill C-90 we will move on to a discussion of the role of the navy, which

we touched only very briefly in our last deliberations. We have not yet gone beyond that in the planning of our committee work

Mr. WINCH: May I ask one question on priority? I do not want to interfere with Mr. Harkness.

I am most interested in what you have said and what Mr. Smith said a few moments ago when he mentioned personnel. We are now dealing, of course, with the bill in front of us, but it was also recommended by the steering committee and accepted unanimously at the last meeting of this committee that, tied in with the bill, there should be certain questions relating to personnel.

If my thinking is correct, I believe it will take us a few meetings at the very least before we are able to report on the bill itself. Again if my thinking is correct, plans are now going forward which may mean the release of a number of staff, either military or civilian, within the next few weeks. I hope I am not interfering with Mr. Harkness, but I would like to ask for consideration by the committee, if not now at some time today because of the fact that personnel will be released either voluntarily or compulsorily within a very few weeks, of the suggestion that this committee may consider this matter as a priority for our next meeting. There are a number of what I consider most important phases regarding personnel including the basis of their separation pay, the relationship between military and civilian personnel, and also a certain number of other aspects. Without going further than that, I will merely say I honestly believe that if we are to do a job it is the responsibility of this committee, with the present plans, to give some thought and perhaps make certain recommendations to the minister, the associate minister or the house itself on those who have served us well as civilians and military and who may be released in the next few weeks. Of course, that would then cover those who may be released up to the eventual 10,000.

May I ask whether or not you will now give some consideration to this most important matter and establish some basis of priority?

The CHAIRMAN: We had really broken this problem down into two sections.

Mr. WINCH: I may also say that I raise this not only because I think it is of major concern but also because it was the first item raised by Mr. Temple at our meeting yesterday.

The CHAIRMAN: We have broken down the unification into two parts; one is the organizational structure and the other is the impact on the personnel affected. We are now proceeding with a line of questioning dealing with organizational structure. As soon as we complete this we will move on to the second phase, the one that you have raised.

I would hope that we may proceed with our questioning of the Minister and the Deputy Minister, who will be here on Tuesday. I would suggest that we continue with our current line of questioning now and see what progress we make in this area. Then, hopefully, when we have concluded the questioning of the Minister in this area we can move to the topic you have suggested.

Mr. WINCH: My suggestion was not only made hopefully. If we do not finish this topic I would respectfully ask that our first order of business at our next meeting will be the matter of personnel.

The CHAIRMAN: Shall we proceed with our order of questioning and see what progress we can make?

Mr. HARKNESS: Section 15 of the National Defence Act states that the Canadian forces, the naval, army and air forces of Her Majesty raised by Canada, shall consist of three services; namely, the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force. There is no proposal at the present time to repeal that section, so I take it that the three services will continue.

Mr. HELLYER: This is correct. The three services will continue as legal entities at least for some considerable period of time. The change being proposed at the moment is to put each of the services under the command of the chief of defence staff.

Mr. HARKNESS: Well, as the three services will continue, what is going to happen? Who is going to represent each of these services? To whom, in other words, will the commanding officer of a naval, an army, or an air force unit, as the case may be, look really? Or at least, perhaps we can put it in this form: How is the chain of command going to operate in these circumstances?

Mr. HELLYER: The chain of command is as set out in the chart.

Mr. HARKNESS: Up to date if anybody in one of these services has a particular problem, the chain of command is such that it finally winds up with the chief of the service concerned and he would deal with it if it were a matter which concerned his service entirely and nothing else. How would it be dealt with at the present time?

Mr. HELLYER: In exactly the same way. The grievance procedure will go right up to the chief of the defence staff, where there will be a member from each of the three services. They will carry out, I am sure, their functional responsibilities and at the same time make sure that any particular aspect represented in an individual service which they consider important will be put forward and given fair consideration in the deliberations of the defence staff.

Mr. HARKNESS: As a result of a long period of trial and error there came into effect a naval board, an army council and an air force council, and in each case they brought expert opinion and advice on which the chief of staff concerned could rely as far as making decisions was concerned on any matter. Will this board, and these two councils be abolished? My understanding is that they were.

Mr. HELLYER: That is correct.

Mr. HARKNESS: Then from where is the chief of defence staff going to get expert opinion which has been available up to date through these two councils and the board through the chiefs of the respective services?

Mr. HELLYER: He will get it from his defence staff which will include senior representatives of each of the existing forces.

Mr. HARKNESS: It seems to me that you are going in effect to have a more complicated and slower working organization than you have had up to date under the circumstances?

Mr. HELLYER: On the contrary, I think the change will be such an improvement that it will be a great relief to many people who have suffered the old one for a considerable length of time.

Mr. HARKNESS: Well, theoretically you may think that is the case, but from the point of view of actual practice I would personally doubt it very much. In other words, I think as far as each of these services is concerned, they have to have somebody really at the top that they can go to, and that person really has to have the benefit of something similar to the naval board, or the army council, or the air council.

Mr. HELLYER: What you are suggesting is a continuation of the status quo. Is that what you recommend?

Mr. HARKNESS: What I am suggesting is that with the system which you envisage I doubt whether you will get the results as rapidly and as effectively as from the system which has existed. In other words, the process I think will be slowed down, if everyone has to go to the one man rather than to go to three men.

Mr. HELLYER: I do not think so. I would be surprised and disappointed if this were the case, and if it proves to be the case, there will be some other changes made very rapidly.

Mr. HARKNESS: Nothing will show this except practice?

Mr. HELLYER: That is right.

Mr. HARKNESS: I would be very doubtful of it. This matter was brought up on the chart which is before us at the present time. You have made quite a point of the fact that there were six persons with direct access to the minister, thus allowing the presentation of difficulties and so on. I quite fail to see that that is the situation. It seems to me that the minister is in a very much better position if he has got the advice from six people in connection with military matters rather than as now envisaged, to be getting advice from three people. You have really reduced it from six to three?

Mr. HELLYER: I do not think so. I think the minister can still get advice from a number of people; but he will get recommendations from fewer people, consequently there is a greater degree of co-ordination, planning and plan of program before they recommend to the minister.

Mr. WINCH: May I ask that the present chart be changed to the new one which shows the new set up so that we can have it in front of us?

Mr. HELLYER: Do you have the one just showing the chief of the defence staff?

Mr. HARKNESS: Well, the point here I think is that in actual practice I doubt whether there will be very much difference from the situation which has existed in the past. You made the statement that the most important matters have not been given consideration by the chiefs of staff committee. But that was never my experience.

Mr. HELLYER: I do not think I said that they have not been given consideration. I said they were not co-ordinated as part of the whole package. This has been one of the great weaknesses of the chiefs of staff committee. The chiefs of staff committee, because it has been a committee, would send through to the minister just about anything.

In the case of anything useful recommended by one of the individual services, it is human nature. Suppose a good proposal comes from one of the services. It has to be put forward with figures to the chiefs of staff. Why would the chiefs of staff not recommend it to the minister? There is no reason why they should not, because the chiefs of staff do not take the responsibility for fitting these projects within a total package. In other words, they do not put it forward as a totally integrated plan. They put forward papers as proposals from the army, from the navy, or from the air force individually recommended by chiefs of staff, to the chiefs of staff committee, or concurred in by the chiefs of staff committee.

Such a proposal is not assigned a priority and it is not put in as a part of a total package. So that the total projects put forward by the chiefs of staff committee would far exceed the resources available for national defence. Thus the problem of reconciliation came in. Now, we are returning to the military the responsibility for ascribing priority in putting forward recommendations which have been given consideration and as to how they should fit into the total defence procedure.

Mr. HARKNESS: I must say that this was not my experience.

Mr. HELLYER: I am tempted to bring forward one or two examples from your time to demonstrate exactly how the system worked.

Mr. HARKNESS: I would be glad if you would bring forward any examples to show how in actual practice the system worked, and to show precisely

from any one of the particular services what was considered by the chiefs of staff committee, and considered separately. They would have had the financial considerations, and I think they would have had the deputy minister's branch and his financial people particularly. Personally I had a meeting every Monday morning with the chiefs of staff committee and these matters were all discussed in the group. Various opinions were put forward, and I would have advice from each of the chiefs of staff, from the chairman of the defence research board, and from the deputy minister incorporated in the particular proposal. Therefore, I can say that in actual practice I would doubt very much whether the pre-existing system will be changed by this.

Mr. WINCH: Mr. Chairman, I think this is a most important matter, in view of the discussion during the last few minutes between the present minister and a former minister. I wonder if the minister could give us a clear indication of what he has in mind, in view of the denial made by the previous minister of national defence.

Mr. LLOYD: On the same subject, I agree in principle, but let us approach this subject objectively. Actually the questions so far from Mr. Harkness have had to do with a comparison, but before we get ourselves bogged down in a dogmatic position on this, let us have a chance to hear a couple of illustrations which might help all the members of the committee.

Mr. WINCH: That is exactly what I had in mind. It is my submission that this is a most important issue, and one on which there is a complete difference of opinion. I hope that this committee will not be the same as it was last year with no comparisons, but rather that we have brought before us all the facts. We have present the minister in this committee who is taking a diametrically and completely opposite stand, and if the matter is to be approached methodically, then I think on a non-political basis we should be given the principles involved even if it requires illustrations.

Mr. MATHESON: On this point regarding the proposition put forward by the minister, it seems to me clear that it is easier to be guided by recommendations that come from these sources which are struggling with the problems of a co-ordinated policy than it is to start to scramble them and to draw them together into one policy when you have six voices speaking, if you like, in concert. Surely, this does not call for illustrations, and this kind of thing it seems to me, would really destroy the usefulness of this committee. Observations by distinguished members of the committee such as Colonel Harkness are useful and helpful. He is Colonel Harkness to me and I remember when he received the George Cross. However, it seems to me that there is a principle in what the minister put forward; he is recommending something that is in effect asking the depatrment to co-ordinate their recommendations before coming to the minister himself. Surely, this is manifest without illustrations.

Mr. LLOYD: I do not want to be misunderstood. I support the principle of Mr. Winch's observations. I was hoping however we could maintain a high degree of objectivity and learn from the experience of the former minister. On this committee there are people without military experience but with public responsibility as elected representatives. Any information those with experience can bring to the committee could help us with experience in the organizational field to make some practical observations. I would like specific illustrations.

Mr. HARKNESS: The basic point I was making really was that I consider the minister, who has to take the responsibility in the final analysis for any policy that has been put into effect or any decision which has been taken, to be in a better position to do that if he has the advice of a number of people

with their differing points of view, than if he depends, as far as military advice is concerned, on the advice of only one man.

Mr. HELLYER: In principle there is no disagreement with that, and you will have noted that provision is made for advice from more than one man, and this is a sound principle. I do not think the principles are really in conflict, but there are two important improvements which we are attempting to effect, and that is that the military advisers reconcile their proposals from the standpoint of priority and programming, and that they have the responsibility for putting recommendations forward after this has been done. I think this would be a considerable improvement. It would make the department much more manageable from the minister's standpoint, and I really think you would agree that considerable improvement could be effected in that direction.

Mr. HARKNESS: I still feel quite strongly that the minister, whoever he may be, would be in a better position if he received advice, as has been the case in the past, from people, all of whom are experts in military matters, rather than theoretically getting it from one man, which is what that organization proposes. In other words, there would be six people who have direct access to the minister, which in effect really means that in most cases, if there is a question to be co-ordinated or a policy to be decided upon, he has always in the past met with them as a group and they threshed out the matter. He gets their opinions, and then he has to come to a decision.

Mr. HELLYER: This is true in respect of individual submissions.

Mr. HARKNESS: It has been true in respect of all major policy matters, and particularly relating to expenditure matters.

Mr. HELLYER: This is also true, but he has not had all of the proposals on policy or expenditures at that time or in a way so that they could be considered as part of a total. Consequently, he found himself—I am sure it is true in your case as well as in others—dealing with fairly important policy matters in isolation from the whole picture.

Mr. HARKNESS: I would not agree that that is the case. Actually, any major expenditure for equipment, construction or otherwise, was always a matter of consideration by that whole group and advice from them on it, and very frequently what it came down to was that the demands of all services had to be cut down so that you could come within what funds you had available.

Mr. HELLYER: This is true. There is one example which I think we can discuss fairly dispassionately. I hesitate to raise it because I agree with members of the committee that we want to be as objective in these matters as possible, but it covered two administrations and perhaps is indicative of the problems of management in the department, and that is the example of the Avro Arrow. Here is a proposal which came through all of the normal channels, I am sure, and was considered by the chiefs of staff committee. It was recommended by the minister to the government, and proceeded upon. Individual changes were recommended from time to time, including the development of a fire control system and other changes, which increased the cost very substantially. All of these were considered by all of the groups that you have mentioned and by the minister, and decisions were taken. Eventually, however, this came to the point where the total proportion of resources required to carry the program was so out of balance with other defence needs, in other words out of balance with the whole picture, that the government really had two alternatives: One to proceed with the project which had the blessing of the military advisers and on which positive decision had been taken all the way along, and increase defence expenditures very markedly, or else eliminate almost completely funds for capital expenditures in all other areas of our national defence posture.

This is what I have in mind. Here is a situation which developed and in which hundreds of millions of dollars were wasted, whereas, if there had been a program management from the outset, showing the cost of development over a period of time, showing the cost of the operation of the development which had been carried through to completion, and showing the cost of the project in its entirety in relation to the cost of maintaining antisubmarine forces and equipping them, as well as ground forces and equipping them, and all of the other elements of national defence, with periodic reviews which would ring the bells of management to say the cost was getting out of hand if we went ahead and developed an independent fire control system—if that method of management had been in effect at the time, the problem which did arise would not have arisen.

Now, this is the type of thing that we want to avoid if we can in the future, and it is the reason why I say we want to get a picture so that we know what we are getting into and what its long range manifestations are at the time the decisions are made, not just in respect of one element, the isolated proposal which may make perfectly good sense in itself, but in relation to the whole, so that some months or years later we are not confronted with a situation which is quite untenable in relation to the whole picture.

Mr. HARKNESS: I would say, in regard to that, that the example I do not think has really any relationship to the matter that we were discussing of the way in which the minister gets his advice. The chief thing that your example shows is that the cost estimates which were made originally were grossly miscalculated.

Mr. HELLYER: No, I do not think it just shows that. I think the cost estimates perhaps were low. But, there were decisions made all the way along the line in the way you have been describing today; there was something else to add, something which increased the cost. And, this is on the basis of the project and this is without a complete correlation between the project and all other requirements of national defence.

Mr. HARKNESS: I think the basic thing was that the cost estimates put in to begin with and subsequent cost estimates for some time later were not realistic. The matter of having a better means of arriving at cost estimates I thoroughly agree with. I think the method must have been at fault in that the cost estimates in respect of the Avro Arrow were so very much lower than proved to be the case; and, secondly, the information available on which these cost estimates were based must have been extremely inadequate or distorted by various people, manufacturers for instance.

Mr. HELLYER: One of the marked improvements we expect in our new organization will be in costing because the service will be immediately aware of the consequence of inadequate costing. They are putting forward a package proposal where if they are wrong by any real margin of error in costing it will affect some other proposal already put forward. We think that the advantage of program costing and of program recommendations, which we have in mind, will be very considerable in providing a more adequate basis of information to the civilian authorities before the die is set.

Mr. HARKNESS: Yes, but would you not agree this is a totally different matter than the way in which the minister gets his advice. This is a costing procedure problem rather than the means by which advice is given to the minister.

Mr. HELLYER: I think it is all part of the same thing because every proposal which is put forward has many implications. There may be implications of operational effectiveness, implications of personnel requirements and costs, and there may be others. But, all these things have to be taken into account, and

my point is that the more information which is available at the time the decision is made the less chance of waste and inefficiency through having to change decisions or to make negative decisions on something else that comes along later and which might be more important.

Mr. HARKNESS: No one would disagree with the statement that the more information which is available the better position you are going to be in to make a decision and, naturally, every effort should be made to get the maximum amount of accurate information. But, I do not see the relation of that to, shall we say, the means by which the minister gets his advice.

Mr. HELLYER: I think there is a direct relationship in our proposed organization. The plans and programs are all produced in the same shop so that they come forward in a co-ordinated way from the same source after consideration has been given to the whole picture. I am sure a proposal would not come forward from this source if it was going to have an adverse effect on another proposal which was going to have a higher priority and was in the planning stages at the time.

Mr. HARKNESS: But this, essentially, has always been the situation. Will not the situation in the future be that your cost estimates, say in respect of aircraft, will come from the experts in the air force and, if it is for an army vehicle, this information is going to come from the experts in the army development and engineering branches, and so forth.

Mr. HELLYER: Undoubtedly.

Mr. HARKNESS: Really, you will still have the cost estimates prepared by the same people.

Mr. HELLYER: Undoubtedly they will be prepared by experts in their field, but undoubtedly they will be very carefully reviewed at the service level by the combined planning group.

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Chairman, I am not opposed to the questions being put forward by Mr. Harkness because they are very interesting. But, we have the minister before us for only a limited amount of time. Up until now Mr. Harkness has taken a good deal of the committee's time. I think if we are going to have to spend all this session with Mr. Harkness, then we had better call him as a witness to appear before this committee. To date, Mr. Harkness has taken a full hour.

Mr. HARKNESS: First of all, Mr. Chairman, I would like to say that the time that has been ascribed to the putting of my questions, namely an hour, is incorrect; I have taken less than half an hour. I have been watching the clock very closely. To begin with, we did not start our meeting until approximately 11 o'clock.

However, Mr. Chairman, if there are other members of the committee who would like to ask questions I will quit at this point in order to allow them to proceed.

Mr. LLOYD: Mr. Chairman, I would like Mr. Harkness to continue his questioning but always bearing in mind that the subject matter we are discussing at this time is integration of the services and the justifications for it.

Mr. HARKNESS: Mr. Chairman, as we have only 15 minutes left I would ask that other members who wish to put questions at this time to proceed.

The CHAIRMAN: There are seven members who have indicated they would like to put questions to the Minister in the area we have under review.

As I have explained, the Minister will be back with us.

While Mr. Harkness has been asking a number of questions I think the members of the Committee all realize that Mr. Harkness has a specialized and detailed knowledge in this area and his questions may prove very worth while from the committee point of view.

If you are approaching the end of your questioning, Mr. Harkness, perhaps you would go ahead and complete them.

Mr. HARKNESS: No, I would rather not. I would ask that others be given an opportunity at this time.

Mr. WINCH: How many did you say you had on the list, Mr. Chairman, who wished to put questions?

The CHAIRMAN: There are seven.

Mr. WINCH: On this phase of the matter?

The CHAIRMAN: Yes.

Mr. WINCH: Then, Mr. Chairman, if I could have your consent at this time, in view of the fact we have seven more members on your list and in view of my remarks about an hour ago, which I am not going to repeat, I would like to move, if I can get a seconder, that at the next meeting of the committee priority shall be given to consideration of policies affecting military and civilian personnel who may be voluntarily or compulsorily leaving the government service.

The CHAIRMAN: Mr. Winch has put forward a motion; is there a seconder for his motion?

Mr. BREWIN: Mr. Chairman, I feel that perhaps this is a matter for the steering committee.

I do feel that what Mr. Winch is suggesting is perhaps a very important matter. But, if the steering committee could find some way of ensuring that this subject will be discussed at an early date I would appreciate it very much, and I would prefer it in that way rather than the members of this committee directing what will be the next subject for us to consider. Several members want to put questions in respect of the subject we are now discussing, but I would not want us to lose Mr. Winch's point.

Mr. WINCH: I said a moment ago that I did not want to repeat, but I would like to bring to the attention of the committee that I am certain it is going to take us a number of meetings on this most important bill and on the organization itself. But, certain policies are already in mind and have been announced by the minister or his associate. I am not going to say civilian but military personnel, I understand, will be leaving the service in a matter of weeks and, on that basis, I think it is absolutely a matter of priority that this committee should give consideration to any thoughts we have or any recommendations that this committee might like to make to the two ministers and parliament in respect of those who very soon will be leaving the service.

The CHAIRMAN: Mr. Winch has proposed a motion which has not been seconded.

Mr. BREWIN: If no one else will second the motion, I will, but somewhat without enthusiasm.

The CHAIRMAN: I was going to suggest the Steering subcommittee might give consideration to this. I have been hoping that we would get the Steering subcommittee together before our next meeting and plan our program from here on. There are only ten minutes left today, and I think we might fruitfully continue the discussion. Unless you really feel forced to second the motion, perhaps we might deal with the matter through the Steering subcommittee.

Mr. HARKNESS: At the beginning of the meeting, I proposed this matter myself; that is, that we should have an early date arranged for discussion of these matters. I wonder whether it would be satisfactory if we did that a week from today. In other words, at the next meeting we would continue the discussion we are on, and then at the following meeting a week from today go ahead with this particular matter.

Mr. WINCH: I would accept that, if you would make it an amendment to my motion.

The CHAIRMAN: Might we take that as a recommendation and have the Steering Subcommittee discuss it? Could we now proceed with the questioning?

Mr. BREWIN: Mr. Chairman, dealing first of all with Bill No. C-90, if I understand the explanatory note correctly in reading the bill, what it does is formally substitute a chief of defence staff, a single individual, for the former chiefs of staff which consisted of a number of different individuals in the different services, with a chairman. That is the actual act itself.

Mr. HELLYER: That is the essence of the act, yes.

Mr. BREWIN: Therefore, the other matters, such as integration, and so on, are not directly affected by the statute.

Mr. HELLYER: They are not affected directly by the statute, but I think the point must be recognized that part and parcel of the immediate effect of the statute is the elimination of the naval board, the army council, and the air council in favour of a single defence staff, and this much, at least, has to be considered more or less as an immediate consequence of the act.

Mr. BREWIN: In other words, it is a first statutory stage to be followed almost immediately by reorganization along the lines of this chart?

Mr. HELLYER: Yes.

Mr. BREWIN: Then we should consider this chart as an integral part of the whole scheme?

Mr. HELLYER: I think that is fair. I do not think you can consider only the establishment of the chief of defence staff in isolation without appreciating at least that it will result in this kind of unified command at national defence headquarters.

Mr. BREWIN: Then, if I may turn to this particular chart, I would like to find out how it would work; let me put it this way: Does the future of this type of organization depend to some extent on the type of operation you are going to carry out. For example, if you are carrying out a combined operation which involves different services—and that is the general nature of the operations you contemplate—this sort of organization clearly would be useful from an operational point of view.

Mr. HELLYER: In our opinion it will be very helpful in combined operations.

Mr. BREWIN: Let me put to you the other side of the coin. Suppose the operations you are going to carry out are those of an army brigade stationed, shall we say, in Germany, or an air force doing something somewhere else in an isolated strike reconnaissance role in Europe, and the navy carrying out an antisubmarine role in co-operation with a unit of the air force; is this set-up equally useful in dealing with that problem? Suppose your chief of operational readiness comes from the navy and his deputy—because there would be an effort to mix them up—comes from the army, would that be a very good situation for dealing with the problem of a strike reconnaissance role which is an air force role?

Mr. HELLYER: I think there would be subordinate commanders, operational commanders, for any particular type of operation; that is, commanders who are specialists in their field. This would be true in any operation. If we were going to concentrate in the future on isolated operations of the kind you have described, then perhaps it is less important; but the whole trend of modern warfare is toward combined operations, and there is much evidence in support of this view. Practically everything we do and practically everything we propose

to do is a combined operation in the sense that it requires elements of two or more forces. This trend is inevitable and unmistakable throughout all the armed forces in the world.

I think our proposal will be more and more useful through time if it is in step with the times.

Mr. BREWIN: I believe we do have to contemplate the type of operation we expect our forces to carry out. If we are going to continue a series of isolated one service operations—and we have some of those now, and I think your white paper recommends continuing with them—this type of organization might present difficulties.

Mr. HELLYER: I do not think so. If you check the white paper you will find there is a projection of a much closer co-operation than has been the case in the past. For example, we are suggesting there should be a provision for tactical support of ground forces. This is a much closer relationship than that which has been the case in the past.

In many of our present roles we have combined operations. This includes our anti-submarine role where there are elements of the air force and the navy. Then there is the civil survival. Even in North American air defence, if you take the whole continent, you have elements of the army, of the navy and the air force working together. Therefore, I do not think there is any question about the trend toward combined operations which, in my opinion, will become even more pronounced in future years than at the present time.

Mr. BREWIN: I would like to switch to another line of questions, which you, Mr. Chairman, might like to rule on. I am alerting you. The minister did tell us that one of the major purposes of the proposed reorganization, and so on, was a reduction in expenses.

I would like to question the minister with regard to the basis of the statement at page 19 of the white paper that sufficient savings should accrue from unification to permit a goal of 25 per cent of the budget to be devoted to capital equipment. It must be a little more than that, and there must have been something worked out in the form of a general outline with regard to how this is arrived at.

Just to complete the outline of that about which I wish to question the minister, at page 24 of the white paper there appears a list of major expenditures which will be required in the next few years, and these major expenditures are for the listed items dealt with earlier in the white paper. I should like again to ask for an assessment of what these major expenditures in "ball park figures" are likely to amount to so that we can see whether there really is a balance between the proposed savings and the additional expenditures, and then determine that, if perhaps we cannot go above the limit we have set, something else has to give because we are doing too much. This is a rather long preface to my question, but my question is, can we acquire from the minister at this stage or soon an analysis of the supposed savings which are going to accrue, and an analysis of the major expenditures that we are supposed to undertake?

Mr. HELLYER: Mr. Chairman, as I indicated in my answer to Mr. Smith, a detailed analysis of the proposed savings is not possible at this stage because it is an estimate based on the contention that we can reduce by about 20 per cent the personnel involved in headquarters, training and logistics organizations. We have yet to find out from practice whether or not this can be realized. That is our planning goal. That is what we are hoping to achieve. That is what we are going to strive to achieve.

As far as the expenditures are concerned, the expenditures required to provide the equipment listed there to equip the forces, and this again is a "ball park figure," is approximately 25 per cent of the $1,550 million throughout a

decade. That is the plan and these will both have to be achieved. Only time will tell whether we are capable of achieving them or not but certainly we are going to strive to do so. For instance, if we cannot effect the savings we are talking about, then again we are back with the two basic considerations; either an increase in the expenditures or a decrease in what we are able to do. There is no alternative mathematically.

The CHAIRMAN: It is now 12.30.

Mr. TEMPLE: Mr. Chairman just before Mr. Harkness leaves I should like to suggest that if it is convenient to members of this committee and the minister, since we did not start until eleven this morning, perhaps we could proceed until one.

Mr. HARKNESS: I am sorry, but I happen to have a luncheon engagement.

Mr. MATHESON: Perhaps I could make one suggestion particularly relating to these questions put to the minister by Mr. Harkness. Really the questions have to do with how policy is formulated. If the minister could furnish us with statistics in relation to the proportions of moneys spent on the army, navy and air force perhaps in the post world war II period it would afford some idea whether or not there has actually been any creative change during that period or whether a rigid policy formula has been followed. Surely that is the essence of this discussion. As our defence conditions tend to change the question we are concerned with is, are these changes making themselves manifest at the ministerial policy making level? It seems to me that really this is germane to the very interesting dialogue between the minister and the former minister of defence this morning.

The CHAIRMAN: It is now 12.30. I think the minister has heard your suggestion, Mr. Matheson.

Perhaps after the steering committee has decided how we are going to proceed and when we return to this topic I should carry forward the list of names of members who wish to ask questions consisting of Mr. Brewin, Mr. Smith, Mr. Deachman, Mr. Lloyd, Mr. Lessard, Mr. Temple and Mr. Matheson in that order.

We now stand adjourned.

APPENDIX "A"

INFORMATION RESPECTING RETIREMENT OF SERVICE PERSONNEL REQUESTED BY MR. R. TEMPLE, ON MAY 26

An Outline of Retirement Benefits

In recognition of the fact that the unexpected termination of an officer's or man's military career, as a consequence of a planned reduction in the Armed Forces, may result in hardship, a special cash benefit will be provided to assist in his rehabilitation. The special benefit is partial compensation for the premature termination of a Serviceman's military career. The benefit will not apply to those who are released for reasons of misconduct or inefficiency, or who request their release.

The amount of the special cash benefit, to be paid in one lump sum, will increase with length of service up to a maximum of the equivalent of 10 months pay for those with 15½ or more years of service. It will be reduced progressively as normal retirement age is approached. Officers serving on Short Service Commissions are in a special category. The period of time by which their service is shortened will be the basis for calculating their benefits.

A table showing these special benefits is attached.

Following are examples of the estimated maximum amounts payable in special benefits to officers and men released under this scheme who have 15½ or more years of service.

	Special Benefit (10 months Pay and Allowances)
Major-General	$15,840.00
Colonel	11,550.00
Captain	6,350.00
Warrant Officer I	5,600.00
Sergeant	4,200.00
Private	3,300.00

Because of the significant number to be released compulsorily before reaching normal retirement ages or completion of fixed periods of service, the Government proposes to offer, in addition to the above-mentioned special benefits, the following additional benefits:

(i) Waive the present provision in the Canadian Forces Superannuation Act which provides a 5% reduction in annuities for Servicemen who have less than 20 years service but more than 10 years (maximum reduction 30%). This to be accomplished by the inclusion of an item in the next Supplementary Estimates of the Department of National Defence to obtain statutory authority for the Treasury Board to direct payment of a full immediate annuity to contributors to whom clause "A" of sub-para (ii) or para (c) of sub-section 3 of section 10 of the Canadian Forces Superannuation Act applies on retirement. The granting of this benefit is subject to the approval of Parliament.

(ii) Remove present provision set out in paragraph (6) in Article 206.22 of Queen's Regulations for the Armed Forces which provides that officers under fixed periods of service (Short Service Com-

mission) forced to retire early, would receive a gratuity reduced by the amount of deferred pay withheld. The Department proposes to give a payment of an unreduced gratuity to the officer. This requires approval of the Governor General in Council.

In addition to these special benefits, Servicemen retired under this scheme are entitled to the normal retirement benefits which include:

(*a*) pension and related benefits under the Canadian Forces Superannuation Act;

(*b*) rehabilitation leave equal to one month for every five years of continuous service;

(*c*) in some cases, special leave up to an additional thirty days;

(*d*) if they have over ten years continuous service, they and their dependents, furniture and effects will be transported at public expense to their selected places of residence in Canada.

Premature Retirement Benefits Table

The Scale of Special Benefits is to be as follows:

Officers and Other Ranks

Based on Length of Service:

A. With More Than Five Years But Less Than Ten Years Service:

Over 5 years but less than 6	2	months Pay and Allowances
6 years but less than 7	2½	" " " "
7 years but less than 8	3	" " " "
8 years but less than 9	3½	" " " "
9 years but less than 10	4	" " " "

B. With Ten Years Service Or More And With Five Or More Years To Compulsory Retirement Age:

10 years but less than 10 years 6 months	4½	months Pay and Allowances
10 years 6 months but less than 11 years	5	" " " "
11 years but less than 11 years 6 months	5½	" " " "
11 years 6 months but less than 12 years	6	" " " "
12 years but less than 12 years 6 months	6½	" " " "
12 years 6 months but less than 13 years	7	" " " "
13 years but less than 13 years 6 months	7½	" " " "
13 years 6 months but less than 14 years	8	" " " "
14 years but less than 14 years 6 months	8½	" " " "
14 years 6 months but less than 15 years	9	" " " "
15 years but less than 15 years 6 months	9½	" " " "
15 years 6 months or more	10	" " " "

C. With Ten Years Service Or More And With Less Than Five Years To Compulsory Retirement Age:

The Special Benefit Computed in Accordance with B. reduced as Follows:

4 years 8 months to CRA but less than 5 years	½	month Pay and Allowances
4 years 4 months to CRA but less than 4 years 8 months	1	" " " "
4 years to CRA but less than 4 years 4 months	1½	months Pay and Allowances

3 years 8 months to CRA but less than 4 years	2	" " " "
3 years 4 months to CRA but less than 3 years 8 months	2½	" " " "
3 years to CRA but less than 3 years 4 months	3	" " " "
2 years 8 months to CRA but less than 3 years	3½	" " " "
2 years 4 months to CRA but less than 2 years 8 months	4	" " " "
2 years to CRA but less than 2 years 4 months	4½	" " " "
1 year 8 months to CRA but less than 2 years	5	" " " "
1 year 4 months to CRA but less than 1 year 8 months	5½	" " " "
1 year to CRA but less than 1 year 4 months	6	" " " "

Except that the benefit payable shall not be less than 4 months Pay and Allowances.

D. With Ten Years Service Or More And With Less Than One Year To Compulsory Retirement Age:

The Special Benefit Shall Be Four Months Pay And Allowances Reduced By Ten Days Pay And Allowances For Each Complete Month Approaching CRA. This Results in a Special Benefit Payable As Follows:

11 months but less than 12 to CRA	3 20/30 months Pay & Allowances
10 months but less than 11 to CRA	3 10/30 " " " "
9 months but less than 10 to CRA	3 " " " "
8 months but less than 9 to CRA	2 20/30 " " " "
7 months but less than 8 to CRA	2 10/30 " " " "
6 months but less than 7 to CRA	2 " " " "
5 months but less than 6 to CRA	1 20/30 " " " "
4 months but less than 5 to CRA	1 10/30 " " " "
3 months but less than 4 to CRA	1 month " " "
2 months but less than 3 to CRA	20 days Pay & Allowances
1 month but less than 2 to CRA	10 " " " "
less than 1 month	Nil

Officers Serving on Short Service Commission

Based on Time to Serve to End of Current Fixed Period:

More than 1 month but less than 2 months	10 days Pay & Allowances
2 months but less than 3 months	20 " " " "
3 months but less than 4 months	1 month " " "
4 months but less than 5 months	1 10/30 months Pay & Allowances
5 months but less than 6 months	1 20/30 " " " "
6 months but less than 12 months	2 months Pay & Allowances
12 months but less than 24 months	3 " " " "
24 months and over	4 " " " "

The Estimated Extent to which the Projected Reductions in the Armed Forces will be Achieved by Normal Retirements and Attrition

So far as it is reasonably possible, reliance will be placed upon normal retirements and attrition rather than on compulsory release. It is difficult to make an accurate forecast of the extent to which the projected reduction of 10,000 officers and men in the Canadian Armed Forces can be achieved by normal retirements and attrition. Recruiting must continue. A continuous flow of young men into the forces is vital to maintenance of an effective and efficient defence organization. In addition, as the problems of defence become more complex, the need for specialists in the Armed Forces is becoming as important as the need for specialists in civilian life. This need can be met only by ensuring that there is no interruption in the enrolment of officer cadets through the Regular Officer Training Plan, Canadian Services Colleges, and the universities. The reduction in the forces that can be achieved through normal retirements and attrition will, therefore, be offset to some extent by the need to maintain recruiting at a reasonable level. Nevertheless, it is expected that a very large portion of the reduction will be met by normal retirements and attrition. The attached summary shows a forecast of the anticipated losses of personnel by normal retirements and attrition during the current and next fiscal year.

It will be noted that the normal attrition anticipated over the next two years will be very largely in the lower ranks for both officers and men. At this stage in the re-organization it is impossible to state the precise continuing requirements for officers and men of all ranks and all specialties, but it is quite clear that some of those at present serving will have to be released compulsorily.

SCHEDULE SHOWING A FORECAST OF ANTICIPATED LOSSES OF PERSONNEL BY NORMAL RETIREMENTS AND ATTRITION DURING THE FISCAL YEARS ENDING 31 MARCH 1965 AND 1966

Ranks (or equivalent)	Year 1964-65	1965-66	Total
Lieutenant General and Major General	3	7	10
Brigadier	7	6	13
Colonel	27	37	64
Lieutenant Colonel	110	129	239
Major	324	354	678
Captain	558	644	1,202
Lieutenant and 2nd Lieutenant	408	496	904
Total Officers	1,437	1,673	3,110
Warrant Officer 1	177	183	360
Warrant Officer 2	221	290	511
Staff Sergeant	362	360	722
Sergeant	515	522	1,037
Corporal	1,097	1,050	2,147
Private	9,574	6,992	16,566
Total Other Ranks	11,946	9,397	21,343
Total All Ranks	13,383	11,070	24,453

3

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, JUNE 2, 1964

Bill C-90, An Act to amend the National Defence Act

WITNESSES:

The Honourable Paul T. Hellyer, Minister of National Defence; the Honourable Lucien Cardin, Associate Minister of National Defence; and Dr. Jack Hodgson, Assistant Deputy Minister of National Defence (Finance).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20877—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
Nielsen,
Pilon,
Smith,
Temple,
Winch—(24).

Quorum—13

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, June 2, 1964
(4)

The Special Committee on Defence met at 11.00 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Deachman, Fane, Granger, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, Matheson, Smith, Temple, Winch (16).

In attendance: Honourable Paul T. Hellyer, Minister of National Defence; Honourable Lucien Cardin, Associate Minister of National Defence; and Dr. Jack Hodgson, Assistant Deputy Minister of National Defence—Finance.

The Chairman presented the Third Report of the Steering Subcommittee as follows:

Your Subcommittee recommends:

1. That the following informative papers, requested by the Special Committee on Defence during the past session for the use of this Committee, be distributed to Committee members:

(*a*) Conventional and Nuclear Armaments.

(*b*) Canadian Defence Policies Since 1867.

(*c*) Defence Policies of NATO Members and Other Countries Including Communist Countries.

(*d*) Defence Policies as Related to Foreign Policy.

(*e*) International Police Force.

(*f*) Economic Consequences of Disarmament.

and that the authors of these papers each be paid the sum of $300.00.

At this point, on motion of Mr. Winch, seconded by Mr. Temple,

Resolved,—That the first recommendation in the Steering Subcommittee's Third Report be concurred in.

The Chairman submitted the balance of the Subcommittee's Third Report as follows:

2. That on Tuesday, June 2, 1964 the Committee sit during the morning and afternoon to question the Minister of National Defence on the General Organization of the Department of National Defence, and then on the matter of the involuntary retirement of certain Service Personnel.

3. That, if necessary, the Committee meet on the afternoon of Wednesday, June 3 to hear the Deputy Minister of National Defence.

4. That Brigadier Richard Malone, of Winnipeg, Manitoba, be invited to appear before the Committee on June 4, 1964 to outline his views respecting Bill C-90.

5. That Air Marshal W. A. Curtis and Major General W. H. S. Macklin, both of Toronto, Ontario, be invited to appear before the Committee on June 9, 1964 to express their views respecting Bill C-90.

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6. That reasonable living and travelling expenses, as well as per diem allowance be paid in connection with the appearance before this Committee of Messrs. Malone, Curtis and Macklin.

7. That the Committee invite the Minister of National Defence to be in attendance on Tuesday, June 9 in the afternoon and evening, if necessary, to reply to questions of a general nature respecting Bill C-90.

8. That on Thursday, June 11 the Committee continue with its consideration of Bill C-90, with the Associate Minister of National Defence and the Judge Advocate General in attendance.

On motion of Mr. Laniel, seconded by Mr. Groos,

Resolved,—That recommendations numbered 2 to 8, inclusive, in the Steering Subcommittee's Third Report, be concurred in.

The informative papers listed above were identified respectively as *Exhibits Nos. 1 to 6.* An additional paper respecting *"Defence Expenditures and its Influence on the Canadian Economy"* was identified as *Exhibit No. 7.*

The Chairman announced that copies of these papers will be distributed to Committee members following this meeting.

The Minister of National Defence was further questioned respecting his statement of May 26, 1964, on the General Organization of the Department and on other matters related to Bill C-90.

Agreed,—That certain statistics, respecting the expenditures of the armed services, tabled by Mr. Hellyer, be included in the Committee's record at the appropriate place in the evidence.

The Committee turned to the matter of the involuntary retirement of certain Service Personnel, the Associate Minister of National Defence, Mr. Cardin, answering questions thereon.

At 1.00 p.m. the Committee adjourned until 3.30 p.m. this day.

AFTERNOON SITTING

(5)

The Special Committee on Defence resumed at 3.48 p.m., the Chairman, Mr. D. G. Hahn, presiding.

Members present: Messrs. Béchard, Deachman, Fane, Granger, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, Pilon, Smith, Temple, Winch (17).

In attendance: same as at morning sitting.

The Committee resumed its consideration of Bill C-90 An Act to amend the National Defence Act. The Associate Minister of National Defence, assisted by Dr. Hodgson, answered questions on the involuntary retirement of Service Personnel and on related matters.

Mr. Temple, seconded by Mr. Fane, moved,

That this Committee recommends that the necessary amendments be made to the Canadian Forces Superannuation Act to provide for the benefits set out in subsection (i) on page 2 of the information supplied the Committee on Thursday, May 28th, 1964 and that Parliament be asked to proceed with these amendments forthwith.

Agreed,—That the above-mentioned motion be allowed to stand.

The questioning of Messrs. Hellyer, Cardin and Hodgson was continued.

Mr. Winch suggested that the Steering Committee consider the advisability of this Committee holding an *in camera* meeting in order to prepare a Report to the House respecting the matter of the involuntary retirement of Service Personnel.

By leave, Mr. Temple was permitted to withdraw the above-mentioned motion and to substitute therefor the following:

That this Committee go on record as supporting the intention of the Government to amend the Canadian Forces Superannuation Act as set out in subsection (i) of page 2 of the information supplied the Committee on May 28th, 1964; and expect that this will be done as soon as possible.

The said motion was adopted unanimously.

At 5.00 p.m. the Committee adjourned until 3.30 p.m., Wednesday, June 3, 1964.

E. W. Innes,
Clerk of the Committee

EVIDENCE

Tuesday, June 2, 1964.

(*Text*)

The CHAIRMAN: Gentlemen, we have a quorum. Would you please come to order.

Mr. WINCH: Mr. Chairman, I would ask you to state in your introductory remarks whether or not you have been able to work out some arrangements in respect of the sittings of this committee and the public accounts committee.

The CHAIRMAN: First of all, we have a report of the steering subcommittee to deal with, which splits itself into two general topics. Before reading this report and asking for concurrence in it I will give you a little explanation.

The first item deals with certain papers. At the end of the last session the Defence Committee recommended that 12 papers on various topics be prepared, and a motion was passed recommending we commission these papers and pay a sum of money for them. Out of the 12 papers we now have received 7, with one refused by the author who did not have sufficient time. The balance is coming in.

The first recommendation of the Subcommittee calls for payment for six of these papers that were prepared by outsiders. These papers have been reviewed by the Steering Subcommittee; we have looked at them and have ascertained they are worthy of payment.

The second general item in the subcommittee report deals with our agenda from now through the next week or so. We have these problems to reconcile. A number of committee members still have questions on the general area of organization to put to the Minister. In addition, there is the topic of the involuntary retirement of certain personnel which has to be dealt with. We also want to hear the Deputy Minister. Then, we have three outside witnesses who are going to start on Thursday. We have to have the first witness on Thursday because he happens to be from the western part of the country and he will be in Ottawa at that time. So, we have to try and get through the first portion of the Minister's work and the Deputy Minister's before Thursday. The Minister is going away next week and we want to have an opportunity to try and tidy up any further questions that arise, from the outside witnesses' testimony, with the Minister before he goes. So, over the next week unfortunately we are going to have a fairly heavy schedule. Based on that, the report is as follows:

> Your subcommittee recommends:
>
> 1. That the following informative papers, requested by the Special Committee on Defence during the past session for the use of this Committee, be distributed to Committee members:
>
> (*a*) Conventional and Nuclear Armaments.
> (*b*) Canadian Defence Policies Since 1867.
> (*c*) Defence Policies of NATO Members and Other Countries Including Communist Countries.
> (*d*) Defence Policies as Related to Foreign Policy.
> (*e*) International Police Force.
> (*f*) Economic Consequences of Disarmament.
>
> and that the authors of these papers each be paid the sum of $300.00.

Mr. WINCH: Mr. Chairman, can we stop there for a moment.

I have had an opportunity to read over the week end all these papers and I completely agree with the Steering Subcommittee that they are worthy of study and worthy of payment, as suggested.

I would like to move, if I could get a Seconder, that this recommendation be adopted and that payment be made in the amount of $300 for each paper.

Mr. TEMPLE: I will second the motion.

The CHAIRMAN: It has been moved by Mr. Winch and seconded by Mr. Temple that payment be authorized in the amount of $300 for each of these papers as listed in the Subcommittee's recommendation. Is it the wish of the committee to accept the motion? All those in favour? Contrary?

Motion agreed to.

Mr. WINCH: Mr. Chairman, may I in particular draw attention to the members who have not received or read these papers to date that the one that I thought is outstanding is the one on the history of defence in Canada for the past 100 years. It is a marvellous document.

Mr. FANE: Mr. Chairman, when and where do we get these papers?

The CHAIRMAN: These will be distributed immediately after this meeting to all committee members.

Now, moving on with the report of the steering subcommittee:

> 2. That on Tuesday, June 2, 1964, the committee sit during the morning and afternoon to question the Minister of National Defence on the general organization of the Department of National Defence, and then on the matter of the involuntary retirement of certain Service Personnel.
>
> 3. That if necessary the committee meet on the afternoon of Wednesday, June 3 to hear the Deputy Minister of National Defence.
>
> 4. That Brigadier Richard Malone, of Winnipeg, Manitoba, be invited to appear before the committee on June 4, 1964 to outline his views respecting bill C-90.
>
> 5. That Air Marshal W. A. Curtis and Major General W. H. S. Macklin, both of Toronto, Ontario, be invited to appear before the committee on June 9, 1964 to express their views respecting bill C-90.
>
> 6. That reasonable living and travelling expenses, as well as a per diem allowance be paid in connection with the appearance before this committee of Messrs. Malone, Curtis and Macklin.
>
> 7. That the committee invite the Minister of National Defence to be in attendance on Tuesday, June 9 in the afternoon and evening, if necessary, to reply to questions of a general nature respecting bill C-90.
>
> 8. That on Thursday, June 11 the committee continue with its consideration of bill C-90, with the associate Minister of National Defence and the Judge Advocate General in attendance.

Gentlemen, may I have a motion for acceptance of the balance of the report.

Mr. LANIEL: I so move.

Mr. GROOS: I second the motion.

Motion agreed to.

The CHAIRMAN: Now, before we continue with our questioning of the Minister there is one paper that was not listed in the group previously mentioned which is entitled "Defence Expenditure and its Influence on the Canadian

Economy", which has been prepared by a Government Department. These 7 papers will be listed as exhibits numbers 1 to 7. This paper to which I have made reference also will be circulated to members of the committee.

Now, in carrying on our questioning we want to try, if we can, to finish our questions so far as possible on the general organization of the department. When we have finished this area of examination it was the feeling of the Steering Subcommittee that we must move into the other area of involuntary retirements today. Therefore, at approximately 12.30 we will stop questioning in respect of the general organizational area and move into this second area, and any questions still outstanding on general organization will be dealt with by the Minister in his next appearance before the committee.

Mr. WINCH: Mr. Chairman, could I ask at 12.30, when we go into this problem, if the Associate Minister who, I understand, has had a great deal to do with the administration of this, will be present?

Hon. Paul T. HELLYER (*Minister, Department of National Defence*): It was my expectation he would be here. I expect he will be here by the time we reach this subject. The assistant deputy minister of finance is also here to assist us in this area.

The CHAIRMAN: In proceeding with the questions on organization I have a list of 7 members which has been carried forward from our last meeting. I will read the sequence of names. The first I have is Mr. Brewin, who is not here. Then I have Mr. Smith, Mr. Deachman, Mr. Lloyd, Mr. Lessard (*Lac-Saint-Jean*), Mr. Temple and Mr. Matheson. We now will proceed with Mr. Smith.

Mr. SMITH: Mr. Hellyer, I gathered from your previous statements that there are two main bases for the reorganization of the forces; one is economy and the other is military effectiveness. Is that right?

Mr. HELLYER: That is correct.

Mr. SMITH: And, in your explanation to the members the other day I gathered that the estimate of the economies to be effected were arrived at by a projection of the reduction of the armed services in numbers of personnel and you multiplied that by the cost of feeding, housing, dressing and paying the soldiers. Is that right?

Mr. HELLYER: Yes, that is correct, plus the savings in accommodation and—

Mr. SMITH: Housing was one of the words you mentioned.

Mr. HELLYER: —all these other areas—

Mr. SMITH: Yes, feeding, housing, dressing and salaries.

Mr. HELLYER: —associated with them.

Mr. SMITH: So, if there was an increase in salary by reason of the fact that the soldiers will be more highly trained there would be a lessening of the personnel economy and the economies themselves, would there not?

Mr. HELLYER: Would you mind stating the question again, please.

Mr. SMITH: If there was a general pay increase to the armed services then the projected economy would be less than it is now estimated.

Mr. HELLYER: I do not think the two things should be confused; one is economy and the other is an increase in cost due to general increase in salaries.

Mr. SMITH: And, if there is an increase in the cost of living which would reflect in the armed services the economies would be less than they are now projected, would they not?

Mr. HELLYER: The costs would be greater than they are at this moment.

Mr. SMITH: And, the savings would be less so there still would be a lesser amount available for new equipment, and so on, so long as you are going to stay within the same dollar budget.

Mr. HELLYER: I think one point is essential. We have stated the program, as projected in the white paper, requires this expenditure in constant dollars, and the reason we have said that is to make provision for the adjustments in costs and salaries. So, the general plan is based on this concept. Consequently, increased costs must be met by an increased budget or by some other means.

Mr. SMITH: By some other economy or cut back?

Mr. HELLYER: That is correct.

Mr. SMITH: The second basis of the reorganization is to provide military effectiveness; is that right?

Mr. HELLYER: That is correct.

Mr. SMITH: I refer to economical military effectiveness. Regarding the guide lines that you have used in the white paper have you followed in a general way the military organization in some other country or some other military force?

Mr. HELLYER: No. I think generally speaking that we are going ahead in this field at the present time. I think we will probably have the most up to date military organization in the western world.

Mr. SMITH: We often hear suggested, not by yourself I will say but by other people, that Canada's armed forces should follow the general organization of the United States Marine Corps.

Mr. HELLYER: The similarity is that the United States Marine Corps is an integrated force which has proven, if one requires proof, that you can operate an integrated force of that kind. I do not think there is any specific experience on which our plans are based other than the recognition of our opinion that this organization will be effective.

Mr. SMITH: I understand there is within the United States military organization a permanent joint strike force which is a combination of all the three services. Has that been studied?

Mr. HELLYER: This is a new concept they are just now developing which in fact is another integrated force.

Mr. SMITH: I understand that the general criticism in the United States of that force is that there is not much room for air force and navy. I understand up to this moment that is the criticism.

Mr. HELLYER: I have not heard that criticism, Mr. Smith, but I am sure whenever something is being done that is new there is criticism.

Mr. SMITH: To turn just for a moment to the organization and the chart that we were given last week, one assumes that there will be operational chiefs for each of the sea, air and ground forces, is that correct?

Mr. HELLYER: That is not exactly the organization that is planned. There will be chiefs of functions. I think this is the basis of organization.

Mr. SMITH: Will there not be some person who is the chief of the sea forces of the Canadian military forces when those seagoing forces are not performing some part of the operational functions?

Mr. HELLYER: There will be a flag officer, Atlantic, who will be in command of the Atlantic forces.

Mr. SMITH: Will there not be a similar officer for the ground forces?

Mr. HELLYER: Each force will have a commander, Mr. Smith. I think that is traditional.

Mr. SMITH: Yes. What I was really leading up to was, where is that commander going to fit in in your organization? Will he be responsible to the chief of operational readiness?

Mr. HELLYER: He will be responsible to the chief of the defence staff.

Mr. SMITH: If he is responsible directly to the chief of the defence staff are you not going to fall in to the difficulty you are trying to avoid by having a multiplicity of commands and multiplicity of views?

Mr. HELLYER: I do not think so, Mr. Smith. This is the way the organization works at the present time and the chief of defence staff will delegate his responsibilities in certain areas such as operational readiness, to a chief of operational readiness.

Mr. SMITH: Then you are contemplating that the chief of each of these forces will have the same rank as the chief of operational readiness?

Mr. HELLYER: No, that is not the plan.

Mr. SMITH: Will they have a higher or lower rank?

Mr. HELLYER: They will have a lower rank.

Mr. SMITH: They will have a lower rank?

Mr. HELLYER: Yes.

Mr. SMITH: They will not be responsible to the chief of the defence staff through the chief of operational readiness?

Mr. HELLYER: They will report directly to the chief of defence staff and the chief of defence staff will delegate, to the extent that he deems advisable, responsibility for various functions to the functional chiefs.

Mr. SMITH: I should like to ask a question about the defence council. Has it been considered that the chief of the operational research council, or the head of the national research council, ought to be a member of the defence council?

Mr. HELLYER: That has not been considered. We have an excellent working liaison between the defence research board and the national research council.

Mr. SMITH: It has not been considered.

Mr. HELLYER: It has not been, no.

Mr. SMITH: Is there not always the danger that the civilian research which could very often be applied to military projects would not be used to advantage? Would it not be better to have the president of the national research council as a member of your defence council?

Mr. HELLYER: There is existing machinery to prevent duplication in this area, and also to keep communications alive in both directions.

Mr. SMITH: So there is no change or simplification there?

Mr. HELLYER: There is no change. However there is, as you know, a committee being established in the privy council office to study the proper application of government participation in research and development.

Mr. SMITH: The weapons evaluation or program evaluation organization will be consulted in that regard?

Mr. HELLYER: This will be a teamwork arrangement between the deputy chief of engineering and development reporting to his chief and the chief of operational readiness. These things, as you know, have to be team operations because the operational people set the requirements and provide opportunities for field testing while at the same time the deputy chief of engineering and development will have the technical evaluation of tests required.

Mr. SMITH: Program evaluation is still going to remain largely a military matter?

Mr. HELLYER: Are you referring to program evaluation?

Mr. SMITH: Yes.

Mr. HELLYER: You were referring a moment ago to the weapons system.

Mr. SMITH: I am sorry, yes. I was referring to weapons system testing.

Mr. HELLYER: Program evaluation will be, as it has been, in the military field, yes.

Mr. SMITH: Under whose direct control will fall program evaluation?

Mr. HELLYER: Can you explain what you mean by program evaluation?

Mr. SMITH: Weapons are usually related to a program of defence. For example, a weapon may be technically very highly efficient, but will it be useful in say the whole defence program, or your defence policy? You have to relate cost, as you stated on an earlier occasion in respect of the Avro Arrow.

Mr. HELLYER: Programming will be the responsibility of the group reporting directly to the chief of defence staff, and the implementation of this will be delegated to the responsible commanders as required.

Mr. SMITH: I think I will give someone else a turn now, although it seems to me that on a number of occasions the term "groups of teams" has been used in your answers, Mr. Hellyer, and I am doubtful whether the end result of your concept of delegating responsibility will be on more clear lines.

Mr. HELLYER: The only caveat I would enter, Mr. Smith, is if you are concerned about what I have told you, you must realize that we have this presently multiplied by three.

Mr. SMITH: I think that perhaps we will still have it multiplied by three, but we will await events.

Mr. HELLYER: I hope that will not be so.

The CHAIRMAN: Mr. Deachman?

Mr. DEACHMAN: I have a series of questions which relate chiefly to the determinants of the philosophy behind the establishment of the dual organization, and I am very concerned with a comparison between whatever determinants may have been used by the national defence department or by the minister, with those used by Mr. Robert McNamara, who brought about considerable reorganization in the United States system. I wonder whether or not the minister has followed along similar lines and whether he has made a particular study of the determinants used by Mr. McNamara in bringing about his own reorganization.

Mr. HELLYER: We have in the course of our studies, Mr. Deachman, looked at some of the things that have been done in the United States. Some of the ideas are being incorporated in our plans and in some cases we are moving beyond what they have proposed.

Mr. DEACHMAN: Mr. Hellyer, I want briefly to draw attention to the system of examining defence functions in terms of on-going programs of breaking examinations of defence down into strategic forces, logistic forces and technical forces. I wonder whether or not you have followed the theory of organization upon lines of on-going programs and components of on-going programs as one of the main determinants of bringing about your reorganization.

Mr. HELLYER: This is forecast in the white paper. The deputy minister will be having more to say on the subject when he speaks to the committee later.

Mr. DEACHMAN: Well, will he deal at some considerable length with the subject of programs?

Mr. HELLYER: At greater length, yes.

Mr. DEACHMAN: Now there is another feature which arises from the examination of these components through their lifetime. I understand that not only do they determine the number of aircraft, or of strategic aircraft required, let

us say, for logistical problems of supply such as Cyprus at the present moment, but also the production of lifetime functions of the aircraft in order to make comparisons with other methods of logistics or of other aircraft and so on. I wonder whether this type of extrapolation of the various components of your program has been followed through in your reorganization?

Mr. HELLYER: It is an essential part of functional budgeting. It is planned.

Mr. DEACHMAN: What can you say about the methods of examination of alternative programs? May I refer for a moment to what Mr. McNamara said: Namely, that our problems of choice among alternatives in the field of weapon systems have been complicated enormously by the bewildering array of entirely workable alternative courses which our technology can support. This perhaps is a very difficult problem in alternatives. We ourselves get into difficulty in the field of alternatives in the setting up of individual programs.

Mr. HELLYER: Where there are alternative courses of action they will be proposed as alternatives and a preference indicated by military planning groups. They will then be discussed in the defence council and a decision made in the normal course. This will be part of management function.

Mr. DEACHMAN: Where there are alternatives which are hotly disputed, or where they are put forward, let us say, by two elements within the defence department offering to the minister two alternative programs, what are the determinants which you will follow as minister in assessing those two functions or two alternatives?

Mr. HELLYER: In the immediate future I will try to determine which alternative most closely follows the policy set out in the white paper.

Mr. DEACHMAN: I want to turn for a moment to the chart which is on the board and to refer to some of the sections of it. Taking first the subject of recruiting which appears under the chief of personnel, manning, individual and basic training, in the reorganization of the forces below that level do you anticipate that there will be a joint recruiting or that we will no longer be seeing an R.C.A.F. recruiting office, or a navy recruiting office, but rather that a man will be taken directly into the armed services in the future?

Mr. HELLYER: I certainly hope that we tend in that direction. It is an obvious area of potential economy. The details will have to be worked out by the defence staff when it is set up. That will be one of its functions which would appear to make sense.

Mr. DEACHMAN: Would this man be taken into the armed forces of Canada and be given his basic training in the army, the navy or the air force?

Mr. HELLYER: I think you are getting into an area of questioning which we agreed not to take up because it relates to decisions yet to be taken as a consequence of reorganization. We deliberately decided not to answer all these questions before proceeding. We decided to amalgamate the high command and let them work out the answers to questions like the ones you are asking this morning. I think it would be better if we waited until these things have been considered by the defence staff, and recommendations come forward and decisions are taken.

Mr. DEACHMAN: Is it fair to say that what you have now is a definite plan before you for reorganization from the top down to the level of what we show on the charts, and having accomplished this, you are studying developments with respect to everything underneath it?

Mr. HELLYER: Within a few days I hope that a study group will be established to work out plans of reorganization of national defence headquarters that we have announced will be our first stage. After that has been

completed, we will then begin reorganization in other areas such as the ones you mentioned this morning, in recruiting, training, logistics, and other facets in national defence.

Mr. DEACHMAN: So your immediate objective is reorganization of defence headquarters?

Mr. HELLYER: That is correct.

Mr. DEACHMAN: Have you set up a schedule in which you expect to achieve that accomplishment, and then proceed to set down the reorganization below the level of defence headquarters?

Mr. HELLYER: We have a rough planning date in mind as a guide.

Mr. DEACHMAN: Can you give us any indication of the scope of time you are working in?

Mr. HELLYER: It is very difficult to meet schedules as you know because as soon as you miss it by a little bit, there are newspaper and other inquiries about what went wrong with the schedule.

Mr. DEACHMAN: I am sure no one here would query anything along that line.

Mr. HELLYER: I hope we can complete our reorganization of national defence headquarters within a year from the time the act is proclaimed. Every day that we could pick up in getting on with the program would help considerably both in effecting economies and meeting the longer range schedule.

Mr. DEACHMAN: I know that Mr. Smith and Mr. Winch will want to help you as much as they can. Thank you.

The CHAIRMAN: Now, Mr. Lloyd.

Mr. LLOYD: In looking at the chart one immediately gets the impression that your chief of logistics and engineering branch or division seems to represent a major change in your organizational structure. Is that so, or do I misread the present or past practice? To put it another way, the navy is responsible for designing the specification of ships. The army would be responsible for certain types of weapons, while the air force would be responsible for the design and development of aircraft, and with anything that has to do with the responsibilities which they have to discharge. Were there in existence three development branches within the armed forces before this?

Mr. HELLYER: There have been branches in each of the armed forces doing roughly the functions listed here under logistics and engineering. The change is not as great as it might appear. There has been a division of responsibility in the past, and it has been slightly different in each of the forces. I think what we are doing here is to recognize the distinction at a fairly high level between the storekeeping side of the operation, if you want to call it that, the acquisition, warehousing, distribution, and line maintenance, functions from the engineering and scientific functions which are more closely related to the evaluation of weapon systems, and their design and development in cases where we do develop them.

Mr. LLOYD: Well, looking at the larger picture, the government concern over all with the defence department is to relate the capacity of its industrial sectors to reduce the things in this sector which the armed forces need. There must be some very close liaison with the industrial capacity of the country. I presume your development, logistics and engineering departments would be perhaps more keenly related to that sector of your economy than perhaps has been the case in the past. Is this so?

Mr. HELLYER: There has been a close relationship between the forces individually and industry. This has existed. What we intend to do, which is new, is to give recognition to industries so that they will be aware of what our wants and requirements are. The main reason for our division between logistics and engineering is to make sure that the problems in the development area in particular should come up through the chain of command and reach the decision-making level as quickly as possible.

You have heard the case of the Bobcat given as an example of frustrated development where we lost the initiative which we originated. What we are attempting to do here is to have a chain of command which will permit submissions in the development area to go through to the decision-making level quickly without being sidetracked at some lower level, and this is in order to maintain initiative and to give us a better advantage, competitively speaking, when we do have an area of development which is at all unique or in advance of the art.

Mr. LLOYD: It would be expected that this will result, as I think you have said, in more reconciliation of conflicts between higher echelons of defence and decision-makers before they are reduced or they disagree.

Mr. HELLYER: I certainly hope so.

Mr. LLOYD: This has been the case in the past?

Mr. HELLYER: Yes.

Mr. LLOYD: You said in the past.

Mr. HELLYER: I do not think there is any doubt about it, actually.

Mr. LLOYD: I would emphasize the fact that this would seem to me to be one of the main reasons for this whole approach to reorganization; it is that you, at the ministerial level, would put a little more emphasis on it, and that you want a pretty objective statement coming from the staff. I think there are conflicts and those conflicts should be recited and stipulated before they reach us rather than perhaps to have easy acceptance. Would this scheme or arrangement affect this co-operation between the three elements of the armed forces, or how do you think it would eliminate it?

Mr. HELLYER: I think it will facilitate cooperation. This is one of the two main objectives in the reorganization.

Mr. LLOYD: You mentioned the Bobcat. I was not going to bring it up specifically, but now that you have mentioned it, I am informed that destroyer escorts are being converted to helicopter capability with platforms, and that the program appeared to develop this way. It was agreed on the kind of helicopter that would be used, and it was agreed that there would be small platforms or landing platforms constructed on the destroyer escorts, and hangars for that purpose. And it has also been suggested to me from some source, whether reliable or not I do not know, that the size of the helicopters is larger than the size of the hangar. Is that so?

Mr. HELLYER: I think that is an exaggeration. In the trial process and the development of this concept, the first hangar was a little narrower than we would like to have seen. But this is being remedied. As often is the case with a new weapon system you have to learn as you go along particularly where it involves a new concept. I can assure you that any problems which did arise earlier in this program have been recognized.

Mr. LLOYD: There was a problem?

Mr. HELLYER: I think we would admit there was a problem, but it has since been dealt with.

Mr. LLOYD: To get back to this specific illustration, the chances of such things happening you consider would be less under this kind of organization, although there will always be a chance of there being a percentage of lack of co-ordination?

Mr. HELLYER: I do not think there is any guarantee that there will be perfection in the design and development process. In any new weapon system, whether it be an aircraft, or an armed personnel carrier, there are problems to be worked out. Sometimes the design is extraordinarily good, but, on the other hand, sometimes considerable modification is required. I do not think the organization itself can correct this. It depends on the quality of the people in the design and development organization, and in their experience in a particular field.

Mr. LLOYD: I have one final question which has to do with the efforts which Canada has plans to make in concert with its allies. You use broad figures to show the chief of logistics and engineering departments and other developments in their opposing programs or changes in programs. I think you move it back to some figure. Would this kind of organization make the task easier for you?

Mr. HELLYER: The organization would make it easier to reconcile projects within the over-all program as laid down in the white paper. This is being done jointly, as you will see, by a group which will have the specific responsibility of co-ordinating all plans along the lines indicated by Mr. Deachman, so that we can look at the whole picture, the cost of equipment, the requirements for personnel both civil and military, the cost of operation and so on right through the life of the system.

Mr. LLOYD: Finally, I realize I said I had only one question, but I have another arising from it. I wish to find out the function of the council that is proposed here.

Mr. HELLYER: The defence council?

Mr. LLOYD: Yes.

Mr. HELLYER: The defence council will review the plans and programs which come from the armed forces and this is where we have civilian input reconciled with the military, where you have the deputy minister and chairman of our defence research board sitting in with the senior military advisers with all points of view being considered at the time a decision is taken.

Mr. LLOYD: In effect in defence policy the main overhead relates to key personnel with various functions, engineering, operational, personnel and finance, and expansion takes place depending upon events as they become apparent in Canada necessitating an expanded effort in some direction? So your biggest overhead is really related to this kind of organization of which you are talking where you get expansion and expenditure, and this is where your counsel will perhaps function more than in any other area?

Mr. HELLYER: If I understand your question correctly, I should state that we are trying to make the fixed costs, if you want to call them that, as small as possible for the type of force we operate. I think we could effectively spend more money if we could get it but as that prospect is not in sight we do want to keep expenditures, within our present limit, more in balance so we have more for the operational end.

Mr. LLOYD: Thank you.

The CHAIRMAN: The next questioner I have on my list is Mr. Lessard. Before Mr. Lessard begins his questions I should like to state that there are translation facilities available. I have on my list Mr. Lessard, Mr. Temple,

Mr. Matheson, Mr. Laniel, Mr. Martineau. There are approximately 40 minutes left until we change topics, so I would ask that you govern yourselves accordingly.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Chairman, my questions will be in another direction, somehow because the others have already been covered. I should like to ask the minister whether to his knowledge, the members of the Glassco Commission asked a firm specialized in administration to supply them the personnel required for studying the efficiency of military administration, or whether they relied entirely on the reports and information given to them by the military personnel.

(*Text*)

Mr. HELLYER: I do not think I would be competent to indicate just exactly what means were used by the royal commission in coming to the views that they expressed. It would not be appropriate for me to comment on that aspect of their report.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): My point would be: to your knowledge, did they ask for personnel outside the military department for this enquiry which they made in the department itself?

(*Text*)

Mr. HELLYER: The personnel who did the research for them and made the study for inclusion in the commission report, I understand were, primarily people not directly connected with the department of national defence.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): To what extent did the Glassco Commission report influence your decision to integrate the three armed services?

(*Text*)

Mr. HELLYER: The conclusions that they came to and the point of view that they expressed in the commission report reinforced the conclusion that we had come to by independent means.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): In your statement, last week, and in Mr. Harkness' line of questioning, I noticed a point of interest. You suggest changes in the administration and certain integrations in certain areas. I should like to ask you this question: Were the advisers for the selection or equipment replaced or will they be replaced? The reason why I ask this question is this: the past being always a certain guarantee for the future, I wonder whether we have kept the same personnel or will keep the same personnel for guidance and selection of future equipment? What will ensure an improvement, when we think of the failure of the Avro, the Bobcat, the change in policy with regard to the frigates, and your latest decision, the purchase of the three Oberon submarines which, I presume, was recommended by about the same specialists. In short, are we going to replace the group of technical advisers or keep the same people?

(*Text*)

Mr. HELLYER: Mr. Chairman, I am not in a position to discuss personnel in specific terms this morning, but I think the important point relating to your question is this. In the past these projects were approved or could be approved without extending the consequences; in other words, without extending the cost of the equipment, the cost of support equipment, the cost of personnel

both military and civil and the cost of operations during the life of the equipment so that you could then relate this to all your other defence costs to see if in fact it would come within the limitations of resources available to you. We hope in the future and, in fact will insist in the future on having sufficient information so that we will know whether a particular project can be implemented without at the same time interfering with other important projects which are all part of the total defence picture. It is in this area that I think much advantage will result. I do not say it always will because, after all, no organization is perfect and, secondly, no organization is more perfect than the people participating in it. It should, however, eliminate major problems of the type raised by the general purpose frigate program or the Avro Arrow program.

Mr. LESSARD (*Lac-Saint-Jean*): I want to say something before I ask my next question. I do not want to cast any doubt on the integrity of any member of our forces in the army. This is my question.

(*Translation*)

Mr. Minister, how can we possibly hope that a group of men who have initiated the present system, who built the present system which we admit is defective, how can we possibly hope that these men can change it themselves since, to some extent, they would be condemning themselves and condemning their policies, they would be depreciating their past efficiency or their past policies, and I am asking this question because I am comparing it with administration in private industry where, when we need a change or when we believe a change is needed somewhere we always consult an independent organization who can come and study the situation objectively, without prejudice, and make recommendations. In reality we are concerned about changing our military system and we have called on, and we are going to continue to call on the people who were involved in it one year, two years and three years ago, to do so. How can we possibly hope that these people will bring about a radical change in the present situation, I wonder?

(*Text*)

Mr. HELLYER: I wish to reassure my hon. friend at once, that first of all all the people involved in both the present system and the future system are loyal subjects of Canada.

Mr. LESSARD (*Lac-Saint-Jean*): I am sure.

Mr. HELLYER: There is no doubt about that. The thing that is really changing is the system. There has been no reflection on the people, but the system has made it difficult for reviewing projects or proposals in the light of the total program. This is what we are changing. There is a new blueprint. There is a plan and there are roles and tasks set out by the government and laid down as policy for the defence forces of Canada. I have no doubt that the officers who are charged with the responsibility of putting these plans and programs into effect will do so capably and effectively. This is the whole basis of their training. The blueprint is established and they know the course that has to be followed, and actually they are quite anxious and enthusiastic in getting on with the job. I have great confidence in them and I wish my hon. friend to have the same confidence because I am sure it is justified and he will find that it is as we go along.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): You want to apply a new policy. You have certainly no assurance of succeeding in every field. Tentative efforts are being made, and this groping must be limited by the will of those who are going to make such groping effort, and I do not believe these people, who

sincerely believed in the policies they applied two years ago can suddenly change overnight and state that what was white is now black. And even if you yourself intend in your objective, to say that we must proceed in such a way, they will still be influenced in the way they work by the methods they followed for so many years. In any case, I will ask you one final question in another connection.

As the number of men in the three armed services is going to decrease, that will have to be compensated by quality. By that I do not mean that the present staff is not qualified. We shall have to try to get staff even better qualified. Does the Department intend to pay more attention to the military colleges in Canada so that the staff that will make up our armed forces or who will direct our armed forces will have an extremely broad basis of very thorough technical knowledge?

(*Text*)

Mr. HELLYER: First of all I should like to agree with my hon. friend that the quality of men and women of the armed forces is excellent. I have said publicly and repeat now that I think that man for man and woman for woman they are without peer anywhere in the western world or, in fact, in the whole world. As far as the future is concerned we have every reason for confidence because the standard of education is rising universally and with this rising standard of education there is a rise in the formal qualifications of many of the young men and women coming into the armed forces. I am specifically referring to our service colleges. These young men get a wonderful education. This is a really outstanding education, scholastically, militarily and in every sense, such as from a citizenship point of view. The men are of very high quality. As long as we have men of that quality in the armed forces we have no fear whatsoever in regard to our future capability. These young men win scholarships at universities like the Massachusetts Institute of Technology, Cal-tech and other outstanding engineering universities in the United States. We have one or two Rhodes scholars this year. Our graduates are brilliant young men and their input into the armed forces is going to provide for the future the dynamism which is required to maintain effective capabilities.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): This is a supplementary question. Do you think we shall have to increase the capacity of the military colleges so that they can turn out a larger number of graduates each year?

(*Text*)

Mr. HELLYER: My offhand answer is, I do not think so, but I must say that this is an interim answer until we have had a chance to do a thorough manpower study in respect of our whole requirements. We propose to undertake a manpower study to determine not only the kind of men we need but the length of time we need them. This study will take a considerable period of time to complete. I cannot prejudge exactly what the findings will be because I do not know; but if you ask for a guess, my guess is the service colleges input will be adequate to meet our needs in the foreseeable future.

Mr. LESSARD (*Lac-Saint-Jean*): Thank you very much, Mr. Chairman.

Mr. TEMPLE: Mr. Chairman, I have several questions, but before I put them, I have some matters for clarification by the minister. It is my understanding that this is in three steps. Bill No. C-90 which is before us defines the fact that there will be a defence staff chief and you said you think it will take approximately one year. Subsequently, there is the reorganization of the field command structure, and the third and final move will be the unification of the three services into a single defence force.

Mr. HELLYER: This is a logical projection. As I indicated earlier, we have no definite plans beyond the first step, but in the white paper we have indicated that in taking the first step we did so in the belief it would follow through the other two stages you have outlined.

Mr. TEMPLE: Would they all take approximately a year?

Mr. HELLYER: I would not want to establish any more milestones. They will have to be met one at a time.

Mr. TEMPLE: I take it, of course, that procurement will come under the chief of logistics and specifically a deputy chief of engineering?

Mr. HELLYER: The actual procurement, after the specifications have been determined, will come under the logistics side. Once the specification has been written for the nuts, bolts, or paint, or whatever is required, it will be the function of the logistics to get it, warehouse it and distribute it. If engineering service is required through development until a weapons system is proven this will fall under the engineering and development side.

Mr. TEMPLE: I note that under the deputy of logistics comes transport, and I assume that includes air transport.

Mr. HELLYER: Yes.

Mr. TEMPLE: And then under the chief of operational readiness also would be included air transport?

Mr. HELLYER: There is a distinction to be made here. I do not wish to go into detail, because there has been no firm recommendation yet. However, the transportation referred to under logistics and engineering could include one or both of these functions. This is something on which a recommendation will have to come forward.

Mr. TEMPLE: Then there could be some overlapping until the recommendation is made?

Mr. HELLYER: A transport command moves material and if the same aircraft also move personnel from time to time, it may best be operated as a single command unit. This is something on which I would expect military advice as we go forward.

Mr. TEMPLE: You might have the air transport moving something under the chief of operational readiness, and on the advice of logistics, and then there would be the question of whether you have the same thing in respect of the air force and the navy.

Mr. HELLYER: What we want is the maximum utilization of our resources, and I am sure this can be worked out without too much difficulty.

Mr. TEMPLE: Under the assistant chief of defence staff, there is intelligence. I take it that this includes security?

Mr. HELLYER: I do not want to give a categorial answer to that. You would have to define security a little more closely with regard to whether you mean security of bases, and so on, or whether you mean the type of security largely related to security of information.

Mr. TEMPLE: I may be getting a bit afield.

Mr. HELLYER: You are getting a little premature in some of these areas.

Mr. TEMPLE: I was going to suggest that later after we have gone through Bill No. C-90 we might have a list of the services which are duplicated or triplicated, such as the air force police, the provost, and naval intelligence, and how they all co-ordinate or do not co-ordinate.

Mr. MATHESON: When I look at these two charts with regard to channels, in the proposed scheme it seems that we limit it to the chairman of the defence research board, the chief of defence staff, and the deputy minister, and that we

do not have all six as previously. We are cutting out the chief of the navy and the chief of air. It seems to me that in successive administrations and perhaps back to world war II, we have had cases of the chiefs of these respective staffs sort of sitting as avenging angels, if you like, for their own services and demanding a certain percentage of the defence budget. Would the minister tell us whether or not there has been any pattern over a period of years of a proportion of our defence dollars going to the navy, the army or the air force, perhaps in this order, and secondly whether or not an attempt has been made to push our chiefs away where we feel they will not project themselves into a carrying out of over-all objectives which might have the result, perhaps, of reducing the importance of one of these services, or perhaps two of them?

Mr. HELLYER: We have the figures on the expenditures for the last ten years. These are statistics which are available.

Mr. MATHESON: Have they been published?

Mr. HELLYER: I think they have.

Mr. MATHESON: Since I have not had the opportunity of looking at those figures, could you interpret them in any way in the light of the questions I have asked?

Mr. HELLYER: I would not care to give an interpretation. It is fair to say that each person looks at a problem from his own point of view, and undoubtedly there is some propensity to support projects, causes and developments which reflect your point of view.

One of the advantages of our new organization will be that points of view will be reconciled at the service level so that our program will be developed on a co-ordinated basis. Personally, I believe this will have many advantages; also, I think it is essential to have a co-ordinated plan. If you propose to follow a policy which involves the co-ordination of the traditional forces, the best way to get the components in balance is to have it done by the professions themselves at a subordinate military level.

Mr. MATHESON: I am thinking now not in terms of possible projected economies, but in terms of efficiencies. You really are saying to the services, put your heads together and decide what type of thing we are going to be called upon to do, and how this might best be done, and bring me a proposal; do not bring me your difficulties and your rivalries to the council table. Is that in essence what you are doing?

Mr. HELLYER: I agree that this will be a result of our new organization.

Mr. MATHESON: I will not trespass longer on the time of the committee. Thank you.

Mr. LANIEL: Mr. Hellyer, the other day you said that with this revision and unification the plans and programs would be produced at a level confined to the chief of defence staff, and in an answer to Mr. Harkness you also said that the different forces in the country would have their representation at that level. I am wondering whether at different times this would bring about a conflict at that level, because you would have your chiefs of function—as I think you called them—making recommendations and preparing programs and plans which would be going through the chief of defence staff level before they reach the defence council, the minister, and so on. Is there not a danger of a battle at that level where the forces will be represented by perhaps less senior officers, but senior officers who might have more concern about, let us say, development in the field of engineering and technical development in their own force in relation to the whole pragram?

Mr. HELLYER: There would have to be a certain amount of give and take; but I think the concept of a unified approach to the defence program will permeate the whole organization very quickly.

Mr. LANIEL: Is there not a problem of people looking not at the problem as a whole, but looking at the problem of one force?

Mr. HELLYER: I do not think any person is without bias; any individual has a point of view. I would not expect all individuals at the staff level to think alike; I would expect them to put forth their particular point of view on any subject under consideration. I would also expect them, because they are reasonable men, to accommodate their particular point of view to the over-all program, and, once having stated their point of view, to see the other fellow's point of view as well, and reach a reasonable solution.

Mr. LANIEL: In your statement have you told us the composition of the new defence council, or will it be the same composition as now so far as military and civilian representation is concerned?

Mr. HELLYER: Yes, I gave this at the last meeting, Mr. Laniel.

The CHAIRMAN: Have you finished, Mr. Laniel?

Mr. LANIEL: Yes.

The CHAIRMAN: The last questioner I have on my list is Mr. Martineau.

Before Mr. Martineau poses his question, with the agreement of the committee I will ask that the charts of information which have been distributed be included in the evidence.

Agreed.

The charts follow:

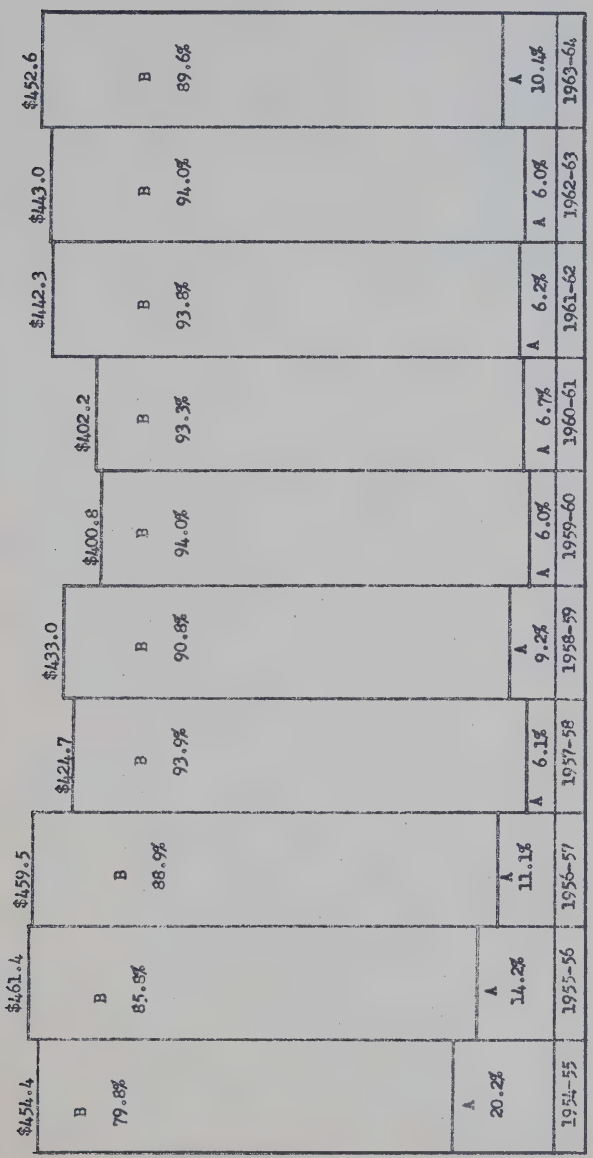
DEPARTMENT OF NATIONAL DEFENCE—ARMY

ACTUAL EXPENDITURES—CASH DISBURSEMENTS

$Millions

A—Major Equipment

B—Other



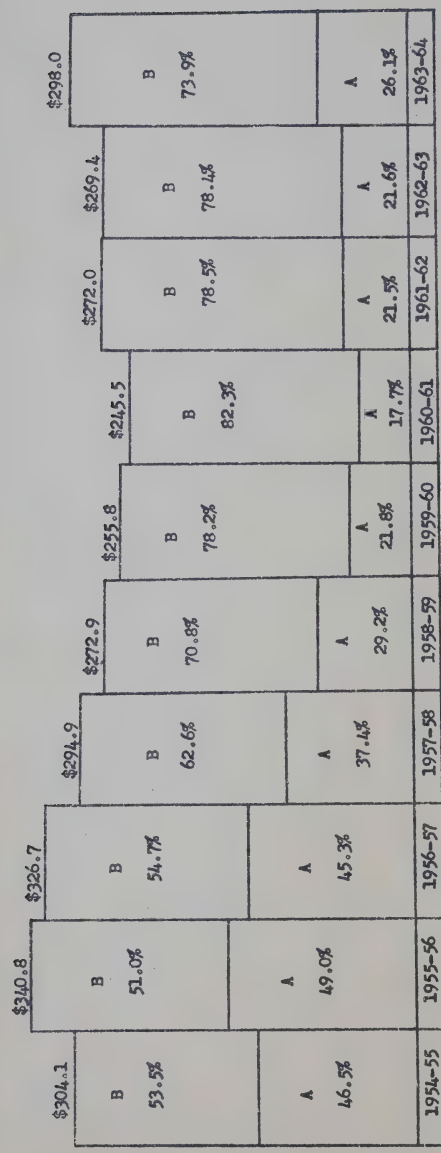
DEPARTMENT OF NATIONAL DEFENCE—NAVY

ACTUAL EXPENDITURES—CASH DISBURSEMENTS

$Millions

A—Major Equipment

B—Other



DEPARTMENT OF NATIONAL DEFENCE—RCAF

ACTUAL EXPENDITURES—CASH DISBURSEMENTS

$Millions

A—Major Equipment

B—Other



Mr. MARTINEAU: Mr. Chairman, in answer to a question from Mr. Smith the minister stated that this reorganization will make our force the most up to date one in the world. This appears to me to be a rather sweeping statement. I wonder if the minister can give some specifics on this. On what is he basing his opinion that we will now have the most up to date organization in the world?

Mr. HELLYER: I am not sure that I said that, Mr. Martineau, but I think it is true.

Mr. MARTINEAU: No doubt, but on what specific do you base that assertion?

Mr. HELLYER: I think it will be the best miiltary organization, the most responsive to co-ordinated action, and that because of its simplified lines of communication it will be able to develop new concepts and techniques more quickly and more rapidly than it would have had it not been reorganized.

Mr. MARTINEAU: Is there any proof that this reorganization will work? Is it not a fact that up to the present date it is entirely experimental and on paper?

Mr. HELLYER: It is like marriage; there is no proof of what the fruits will be until after the consummation.

Mr. MARTINEAU: I would not like to relate matrimony?—

Mr. SMITH: With military service?

Mr. MARTINEAU: That is right. In any event, so far the minister is still speaking in very broad terms and I would like to ask him if his phrase "the most up to date in the world" relates, for instance, to weaponry.

Mr. HELLYER: I would certainly hope that for the tasks our armed forces will be expected to undertake and for the roles they have been assigned by the white paper, they will have the best equipment available for those tasks.

Mr. MARTINEAU: Besides the minister's hope, are there any positive strides that are being taken or contemplated because of this organization in the field of weapon development, for instance?

Mr. HELLYER: Mr. Martineau, it is a little difficult until we have the organization set up to know just what weapons systems they will recommend. This will include development.

Mr. MARTINEAU: But in the mind of the minister does not the modern element of the force relate also to its weaponry and equipment?

Mr. HELLYER: Quite so, and this of course is the second major reason for the reorganization which is to provide greater resources both for development and for weaponry.

Mr. MARTINEAU: May I take it, then, that the minister's thinking has not yet reached the field of equipment and technology?

Mr. HELLYER: I would not agree with that broad generalization. If you mean have we decided upon the specific weapons systems which will be incorporated as a result of the white paper, you are correct; these decisions have not yet been taken.

Mr. MARTINEAU: Has the minister made any decision as to the role of this new force?

Mr. HELLYER: Yes, Mr. Chairman, and this is outlined in the white paper.

Mr. MARTINEAU: What is the new feature?

Mr. HELLYER: I do not think I should have to read into the record the roles and tasks which have been laid down for the armed forces and which are all set out in considerable detail in the white paper on defence which was presented a few months ago.

The CHAIRMAN: I would suggest, Mr. Martineau, that we should try to keep our questions as closely as possible to unification of command.

Mr. MARTINEAU: My questions do bear very directly on the answers given by the minister, and I would therefore suggest to him that the new role that he envisages for the forces is, in actuality, the same role as they have always performed.

Mr. HELLYER: I do not think that is true, Mr. Chairman. There are a number of changes, both in role and in emphasis, forecast in the white paper; and I am sure that this will be self apparent to the hon. gentleman if he will check back.

Mr. MARTINEAU: Are these the changes that the minister hopes will make the force "the most up to date in the world"?

Mr. HELLYER: I think they will permit the implementation of the roles set out in the white paper in such a way that we will have the best force anywhere.

Mr. MARTINEAU: In regard to the echelon of command, there will now be this new position of chief of defence staff. I have noticed there will also be a vice chief of defence staff, and there will even be an assistant chief of defence staff: as well as the three service chiefs. I assume also that each of these senior officers will have a secretariat and a considerable personnel and staff. Can the minister say if their total number will be less than the total number of the staff, personnel and assistants to the three service chiefs of staff.

Mr. HELLYER: The broad answer to that question will be, of course, that the total headquarters figures will be very markedly reduced. This is one of the areas of considerable saving which we expect to make.

Mr. MARTINEAU: Will it be a re-shuffle or an actual reduction?

Mr. HELLYER: It will be a reduction in the national defence headquarters as a whole.

Mr. MARTINEAU: Has the number of staff of each of these persons I have mentioned been determined or established yet?

Mr. HELLYER: Not yet.

Mr. MARTINEAU: Does the minister then think that he can defeat the tendency or the Parkinson law of empire building which may be applicable to the selection of personnel for each of these people?

Mr. HELLYER: I do not think it can be defeated, Mr. Chairman, but we are going to give it a running battle.

Mr. MARTINEAU: In answer to a question from Mr. Lessard, the Minister stated that there was a new blueprint; that this was a new blueprint and a changed system. I believe the minister also answered that the same people who were administering the former system will be administering the present system.

Mr. HELLYER: It was not I who said that; it was Mr. Lessard who said that.

Mr. MARTINEAU: I think you admitted that.

Mr. HELLYER: I do not remember admitting it; I said I was not in a position at this moment to discuss personnel in precise terms.

Mr. MARTINEAU: I am interested to know, if there has been a change, why these persons made this change in their thinking. Has this change been imposed upon them from above or is it something they themselves evolved?

Mr. HELLYER: I think it is both, Mr. Chairman. There have been many contributors to the policy which was laid down in the white paper. Now that it has been laid down, the second phase is implementation. In so far as implementation is concerned, the people who are charged with the responsibility for carrying out this task will use as their blueprint the roles and policy which have been laid down by the government.

Mr. MARTINEAU: That is all.

The CHAIRMAN: It is now just 12.30, the point at which we will change to the topic of involuntary retirement of certain personnel. The Associate Minister of National Defence is here and I see Mr. Winch is anxious to ask a question.

Mr. WINCH: I appreciate very much the understanding of all members of the committee of the importance of this matter which is now before us with the result that we are able to bring it up at this time for discussion. I refer, sir, of course, to the general policy as I understand it, and as outlined by the minister, that within the next two years there may be approximately 10,000 personnel leaving the service of the defence department.

It is my understanding that although there may be some 10,000 people involved over a period of two years, within the next two months the retirements will start to take place. On that basis, therefore, I feel it is of the utmost importance that this committee should have a full understanding, right in the very beginning, of the policies on retirement.

In my estimation, sir, the entire question boils down to four problematical matters. With your consent I would like to put all of them before the committee in one statement because I honestly believe, sir, it will expedite any answer from the minister or associate minister and that it will also expedite the consideration by our committee.

If I have your permission to do it in that way I will be as brief as I possibly can.

Agreed.

The first question is this: Is it the policy of the defence department under this new plan that all separations from the defence department in its employee relationships shall be on a compulsory basis? What I have in mind there, sir, is whether any thought has been given, in view of the department's policy, to find out if there are those people in the armed services now, under the new policy, who would like to retire on a voluntary basis, thereby making it unnecessary to have so many released on a compulsory basis, and thereby retaining in the service the ability or abilities of personnel who would be of advantage to the Department of National Defence?

Whether the separations be on a voluntary or a compulsory basis, we then come to the question of separation pay. To the best of my recollection the only announcement made by the minister has had to do with compulsory retirement on a cash basis.

I am in receipt of a number of letters in connection with this matter, and there is one in particular to which I would like to draw your attention. This letter is written by a man who says he represents a group in an air force base in Ontario who think they may come under this compulsory retirement plan. They ask whether or not there could be consideration of a different form of separation pay when they leave the service. They have explained their point of view and they say it is possible that if they receive the cash—and I think it goes up to a high as ten months' pay—the money might be frittered away or invested in a small business which might go bankrupt. It was their suggestion that it would be preferable to have an option and for them to have, under government auspices, a retaining scheme which would adapt the knowledge they gained, at taxpayers expense, in the armed service to civilian occupation conditions, while at the same time receiving sustenance as though they were still in the armed forces, and then having a further month or two of assistance while they obtain employment in civilian life. I have been asked to draw this to the attention of the committee and to the attention of the minister.

From that point we follow to the position of civilians in the Department of National Defence. To my own knowledge there are many who have served, and served ably and well, in important positions going back 10 and 15 years

and to the time of the second world war, people who have served not in uniform but who have been doing an effective job. What is their position? No announcement has been made on that. Are they to be given a notice of one month, and out? Or can they be considered as employees of the Department of National Defence who have performed a necessary and essential job, albeit out of uniform, on a basis comparable to those who have also served but who have worn the uniform of the armed services?

This is a most important matter, a matter upon which I hope to hear some comment.

My fourth point follows from that, and I honestly admit it is a most difficult one. A great many men and women will be retired from the forces of Canada, men and women of great ability. They will undoubtedly be grabbed by private enterprise because of their knowledge and ability. If they go into private enterprise they will receive salaries applicable to private enterprise and be entitled, without discrimination, to receive their pension. However, if the government of Canada wanted to use the brains and ability of these ex-service personnel in some service of government, under the regulations those people must not only receive less than they would in private enterprise but also they will be unable to receive any pension. Therefore, we have a most difficult situation. Although the government of Canada, in its various services, might like to use the brains of those who will be compulsorily retired, they will be in a position in which they would have to make a real sacrifice by taking the lower wage offered in government service and also losing their right to a pension while they are employed.

As I say, that is a very difficult problem. It is one we have never faced, but I think in view of the fact that thousands will be released and perhaps many could be of useful service in a different phase of government administration, it is one that we as members of this committee—and I am going to say as members of parliament—will have to face. I believe this is a most important issue that we have to discuss now, an issue upon which some conclusions will have to be reached.

I have raised four points upon which, of course, I give top priority to the question of cash or training on separation, an option, and the position of the thousands of civilians who may be affected under the new plan. I sincerely hope, sir, that the minister or the associate minister or the representative from the treasury department can give us some detailed explanation of the entire situation and of its implications.

The CHAIRMAN: Before that question is answered I would like to identify the third witness for the benefit of the committee. He is Dr. Jack Hodgson, Assistant Deputy Minister of National Defence (Finance).

Mr. LUCIEN CARDIN (*Associate Minister, Department of National Defence*): I do not have to tell the committee that I am not an expert in accounting. It is for that reason that we have brought along Mr. Hodgson this morning.

In answer to Mr. Winch's statement, in which he mentioned the figure of 10,000 people who would be retired from the armed forces in a relatively short time and up to a period of two years, I would say of course that, as the minister has mentioned this is a ball park figure. Somewhere around 10,000 is what we expect. It does not mean that these 10,000 will be all compulsorily retired. There will be the normal attrition taking place, and it is felt that the majority of the people to be retired will retire under this attrition process.

Mr. Winch asks whether or not it is government policy that all separations will be compulsory in nature. No, the answer to that is that it is not intended that all separations will be compulsory. The normal voluntary means of leaving the services will continue to exist. The difference will be that those who voluntarily retire before reaching their compulsory retiring age and those who

are released because of misconduct will not receive the benefits provided for those who will be compulsorily retired. The idea of the compulsory retirement is that we will be in a better position to see in what areas there are redundancies in the field of personnel. We feel we will have better control after looking over the slate and that we will be able to say, "These positions are redundant."

I would like to say here again—and unfortunately there seems to have been some misapprehension on this point—that we are not retiring people compulsorily because we are not satisfied with their services; it has nothing at all to do with the loyalty of the people who are being retired. On the contrary, they have been very loyal and devoted personnel. What we are bound to do in this area is to try to have a career structure which will eliminate all redundancy. It is by compulsory retirement that we will be able to control the retirement and the positions more adequately. But, as I mentioned before, people still will be allowed to retire voluntarily or will be put out because of misconduct, as in the past, the only difference being they would not receive the benefits provided by compulsory retirement. I think most members of the committee will realize, as I do, that if we put someone out compulsorily, we do owe these people who are being retired in that fashion some recognition of the fact that they had a certain number of years of service and that they are now being asked to retire. In that sense they deserve some compensation. But, as I said, this is not true of the people who voluntarily retire or those who are put out because of misconduct.

Then Mr. Winch asked a question in respect of the use of the benefits and whether or not we should give them an option of obtaining training provided by the government or a cash allowance. I know Mr. Winch has asked this question before and, so far as my answer is concerned, I still think it is the same, that we feel it is far better to allow these people who are being retired to utilize the money according to their own judgment. These are all mature people; they know the value of money. And, if some of them wish to go ahead and acquire technical training of any type they can do so with the amount of money that is provided. And, as a matter of fact, that is the purpose of the benefits that are now being contemplated. I think also that in the field of civil employment someone who wanted to be rehabilitated or retained would perhaps do far better in a university than in any facilities which could be provided by the government.

The third point was in respect of the release of civilian personnel in the armed forces in conjunction with reorganization of national defence. Well, in this respect it is not thought that there would be comparable releases in the field of civil servants; the number will be far less than what is contemplated for the armed forces. We have in conjunction with the civil service and the national employment office come to an agreement and a system which seems to be working out very well, where we do everything that is possible to utilize the service of people in the civil service, let us say, within the Department of National Defence, to try to find other positions within the Department of National Defence; and we also have arrangements with other departments to accept civil servants who are being retired in national defence.

Then, there is the employment office which also participates in the field. So far, our experience has been that the civil servants who have been displaced have to a very large extent been able to find positions elsewhere, either in the Department of National Defence or in other departments. In addition, we have provided for people who can obtain transfers from one area to another in one department of government, to apply for transportation or removal allowances of up to $500 in order to help them move from one place to another without out-of-pocket expenditures. This has proved successful enough to make us believe that there will not be any great problem with the retiring of the civil employees.

The last part, of course, is this question of the people who are being retired from the forces and who go into private entreprise and who are allowed to keep their full salaries, whereas those who are retired and go into the government service would have only part of that pension. I must say here, of course, that this is not something new; it has existed for a considerably long time and it is not part of our proposal. It has to do more with the civil service than it does with national defence. However, in spite of this, and it is to the credit of many, most of the people in the services are extremely devoted to the services, and it has happened in the past that people prefer to remain with the governement service as civil servants and to accept this reduction of pension giving them a level of salary which is lower than they would get if they were in private enterprise. This of course is not an excuse that I am trying to make. I say that this is to the great credit of the people who decide to do this, but, as I mentioned before, this particular aspect of the legislation does not particularly concern us; it is an over-all law which has been standing for a long time, and of course it is not up to us to decide on that particular point.

I think that covers the four points that Mr. Winch mentioned.

Mr. WINCH: I would like to wait with further questions until someone else has put other questions.

Mr. HARKNESS: On this sheet which was issued I note you show a total of 24,453 for all ranks who will be separated from the armed forces through normal retirement and attrition during the next two years, or the two years ending 1965-66. How much of that attrition do you expect to be made up by recruitment, intake from the service colleges, and so on?

Mr. HELLYER: It is rather difficult to explain, Mr. Chairman. We expect that the number to be taken in during that period will be that number less the number of reduction in the force which is achieved through attrition. This is just a mathematical truism. I am sure we could recruit the total number, but as we want to reduce the over-all number during this period, the number that will be taken in will be that figure less the planned reduction by attrition during the period.

Mr. HARKNESS: What I am trying to get at is the number of people who will be compulsorily retired, and I thought I would get at it this way: Have you any estimates of the pepole who are going to be recruited in this period? You could then arrive at the number of people compulsorily retired.

Mr. WINCH: How many will be retired on a compulsory basis as a result of your policy?

Mr. HELLYER: We do not know the answer to this yet, Mr. Winch, because it will depend on the age and rank groupings after the new establishment has been determined.

Mr. HARKNESS: Have you no estimates on this at all?

Mr. HELLYER: The ball park estimate will be a fifth of the total, or something in the order of 2,000 compulsory retirements—but that is right off the top of the head. There is no scientific data which could support that figure.

Mr. WINCH: How do you explain then the newspaper reports of certain changes which I believe your department and you yourself announced last week? The reduction in the air force was to affect 500 aircrews this year. Surely those 500 are not reduced by attrition?

Mr. HELLYER: These were all compulsory because they were surplus aircrew.

Mr. HARKNESS: To continue, have you had any survey made of the number of people who were prepared to retire voluntarily, or have you put out any questionnaire with a view to finding out the number of people who for one reason or another would be prepared to retire?

Mr. CARDIN: No, Mr. Chairman, there has been no survey made of the people who would voluntarily retire. However, the processes of people asking for voluntary retirement are still in effect, and those who desire to leave the services before the compulsory retiring age continue to send in requests to do so, and we allow them to leave if they are in a particular category of which we are not short.

Mr. HARKNESS: Undoubtedly, there are considerable numbers of people in the armed services who would be prepared to retire and go into other employment. They may have opportunities of other employment if they did not suffer thereby as far as their pension rights were concerned, and things along that line. This is one of the difficulties, as I see it, in the program that you have in mind. You are going to be retiring compulsorily a considerable number of people, quite a few of whom do not want to be retired at all. On the other hand, you will be retaining considerable numbers of people who would really like to retire but are not able to do so or do not feel they are able to do so because they would suffer financially in the process.

Mr. CARDIN: I think it is quite possible that a good number of these people who really want to retire will find themselves on the lists of those to be retired. That is not an impossible situation.

Mr. HARKNESS: It may or may not be the case but I would think it would be a much more reasonable way to handle this problem to have a survey made or to put a questionnaire and in this way determine what people would be prepared to retire, and to make provision that they get the same benefits as the people who will be compulsorily retired if they are in the same bracket.

Mr. CARDIN: What I mentioned a while ago has a direct bearing on this; we want to try to have a career structure in the services which is effective, efficient, and not redundant. It is because of this requirement that we feel we should try to select for compulsory retirement those people whose positions are redundant. Those people who might want to retire and whose jobs are essential in our new structure should not, in my mind, be put out in this way. It would seem to me that apart from the desire of the people involved, there is also the responsibility of the department to see to it that the career structure of the forces does not suffer.

Mr. HARKNESS: I do not think the career structure of the forces would suffer if we proceeded somewhat along the lines I indicated, and in fact I think that the morale in the services would be very greatly improved as a result of that.

Mr. CARDIN: There is a bit of both in here. I think, in each case it is important to look at both sides of the question. What would happen if, for instance, someone wanted to retire voluntarily, and if he were to be a key man whom we would like to continue in the reorganization? We then have a problem whether he should be retired or not. We feel that it is more effective for us to try to take a broad look on what would be the requirements in the future, and have those people compulsorily retired who will not be needed.

Mr. HARKNESS: As far as the key man is concerned, you will find, I am quite sure, in a large number of cases—retirement of 500 aircrew is a good example of it I think—that you are going to retain a certain number of aircrew and that you are going to get rid of a certain number of aircrew. Selection of who goes and who stays is, to a large extent, an arbitrary one based on the judgment of a certain number of people. Among those 500 people you are retiring you will undoubtedly have a considerable number who would like to remain, and, on the other hand, among the people you are retaining you would have a number who would want to get out. As a result of this, I think, you would reduce the efficiency of the whole force if you proceeded along this basis.

Mr. CARDIN: I am not sure the example of 500 airmen is a very good one because, as you perhaps know, this is really outside of the reorganization. These 500 airmen, as Mr. Hellyer pointed out, are surplus, and the problem in the reorganization of the national defence would not be quite along that particular line.

Mr. HARKNESS: The 500 people you are getting rid of, the air crew, are not surplus.

Mr. CARDIN: What is that please?

Mr. HARKNESS: These particular 500 people individually are not surplus. You will retain I do not know how many aircrew. What is the number of aircrew to be retained?

Mr. CARDIN: I could not give you that answer.

Mr. HARKNESS: Well let us say 2,000 just for the purpose of argument. So you are getting rid of one fifth of the number of air persons or aircrew, and in the 500 that you will compulsorily retire there is bound to be a good number who would like to stay, and in the other 2,000 there is quite a number who would like to get out. Why not bring the two things together? Why not make an effort to bring them together?

Mr. CARDIN: I think in practice when the decision is made to retire some people compulsorily there will be—I am quite sure, a very close look at the record of the people involved. I think you will find from the record that you will be able to determine those people who are really keen on the service and those who are less keen. In that way we shall have a fairly accurate idea of the desire of the individuals concerned.

Mr. HARKNESS: You are now saying exactly the opposite to what you said a while ago, that there is nothing meant in all these people being retired. Now you say that you are going to retire people who are none too good.

Mr. CARDIN: No, I did not say that.

Mr. HARKNESS: In fact that is what it sounded like. This is another objection to this method of dealing with the problem.

Mr. CARDIN: I certainly do not agree with you that I said that by looking at the records we will decide on the people we want to get rid of and that they are no good. Everyone in the forces has records that can be looked at. There are people who have many, many reasons, often quite competent, quite devoted, with all sorts of credits to them, but because of circumstances, family or otherwise, they would be desirous of leaving. That all appears in the records. And there are other people, who also have great ability, who are keen and who want to stay on in the services. I think that by checking the records it should be possible to decide which ones really wish to stay and which ones would prefer to leave.

Mr. HARKNESS: Would it not give you a better indication if you made a survey to find out the desires of the people?

Mr. MATHESON: It would throw the forces into chaos.

Mr. CARDIN: There are many people on whom we are counting particularly to carry out certain jobs who would elect to go voluntarily, and then we would be in a rather awkward position of trying to keep them on.

Mr. HARKNESS: Because you make a survey to try to find out if people want to go does not mean that you have to give to get rid of A, B, and C, simply because they said that they wanted to go. If there is a particular man it is essential to retain, then you would retain him anyway. Why not get this done on the basis where you would satisfy a lot more people and then

bring about a much better general feeling of morale in the services than to operate on the basis you are going to work on, one which I consider to be an arbitrary basis.

The CHAIRMAN: It is now one o'clock. We should adjourn. But if the minister would like to answer this one question, very well, and it would be the last one until we reassemble.

Mr. WINCH: In view of the schedule you outlined at the beginning of the meeting, would this mean that the next meeting would be when we would not have an opportunity to continue questioning the minister?

The CHAIRMAN: At the next meeting we shall resume the questioning on this topic. It will be at 3.30 this afternoon.

Mr. HELLYER: I shall be here.

The CHAIRMAN: I was going to ask everybody to be here promptly so we do not have to wait for a quorum. We shall resume with your questioning, Mr. Harkness, unless you are finished. The meeting will be at three thirty or immediately following the orders of the day whichever comes first.

AFTERNOON SITTING

TUESDAY, June 2, 1964.

(*Text*)

The CHAIRMAN: The meeting will come to order. We will proceed with the questioning.

Mr. HARKNESS: At the time we adjourned I was expressing the hope that some effort might be made to find out what officers are willing to retire, and to integrate to a greater extent then seems to have been contemplated the matter of the compulsory retirements. I can see no really good reason why a questionnaire or just a simple request to the people who are willing to retire could not be put out and these people then included amongst this group who are being retired with these particular pensions.

Mr. CARDIN: Perhaps in order to clarify this point I may perhaps read a small memo which puts the point more clearly than I could express it myself.

This morning Mr. Harkness made a suggestion that the armed forces be surveyed to ascertain which individuals wish to be selected for retirement as part of the forthcoming reduction in establishment. I can assure Mr. Harkness that this idea was studied during the preparation of the present special benefits plan. After examination however it appeared preferable to base the plan generally upon compulsory retirement on the basis of selection.

It was considered that a survey of 120,000 people to determine their wishes regarding retirement would inevitably prove upsetting to many, particularly as the scale of the anticipated reduction is a relatively modest proportion of the total strength. Moreover, it is anticipated that the majority of the reduction can be achieved through normal attrition, as we mentioned this morning. The problem facing the services is to determine the personnel requirements by rank, skill, age, and so on, as soon as possible, and having done so to make certain that the personnel needed are retained, that is that those to be retired are in fact the personnel who can best be spared. It is reasonable to expect that among those who will naturally be selected for release would be those approaching compulsory retirement age, those whose special skills are no longer required, or those who can no longer be expected to serve in operational employment. There will be occasions when the determination of

the wishes of the personnel in particular categories of rank, skill, age, and so on, should be part of the process of selection, and this will certainly be taken into account, but it would not be an across the board survey of those who would be voluntarily retired.

Mr. HARKNESS: In connection with these 500 aircrew who are to be compulsorily retired, have you now got the figures on what proportion of these 500 are of the trained aircrew, particularly the active aircrew in the service?

Mr. CARDIN: I am sorry, I have not the figures but we might get them before the end of our meeting.

Mr. HARKNESS: What proportion of these people are short service officers?

Mr. CARDIN: About half of them would be short service officers.

Mr. HARKNESS: How many people are being trained as aircrew at the present time?

Mr. CARDIN: I am afraid I shall have to get that information later.

Mr. HARKNESS: The committee should be aware of the number of people under training for aircrew at the present time and see how this relates to the number of people who are being compulsorily retired. Also, I think we should know what is the cost of training a man as aircrew. I recall that it is a very large figure, a surprisingly large figure, and I would like to have that given to the committee so that we could gain some idea of the amount of money which has been spent on these people who are now being compulsorily retired, and how much is being spent on people essentially to replace them, or others who are being retained at the present time who would subsequently be going?

Mr. CARDIN: We can get this information for you. Unfortunately, we do not have it here.

Mr. HARKNESS: I have just one other question which I would like to ask. I see on page two of one of these sheets you put out that people who have over ten years of continuous service can have their dependents, furniture and effects transported at public expense to a selected place of residence in Canada. Short service officers do not have ten continuous years of service. What is going to be the policy in regard to them? Normally I think if they were retired at the end of the short service period, the cost of moving to their place of discharge was covered.

Mr. CARDIN: I think they would get it under these circumstances.

Mr. HARKNESS: Can you make certain of that?

Mr. CARDIN: Yes.

Mr. HARKNESS: I think it would be manifestly unfair for a man on a short service commission who normally, at the end of seven years, would have had the cost of moving paid, not to get it under this scheme.

Mr. CARDIN: I am quite sure they will get it, but I will check.

Mr. TEMPLE: These 500 aircrew officers who are being retired, I believe, were notified on April 17 that they would be retired in three month's time, and they are going to be retired by around July 17.

Now, a great many of them are friends and neighbours of mine, and having to do now with one particular section of the Canadian forces superannuation act I would like to move at this time, if I can get a seconder that:

> This committee recommends that necessary amendments be made to the Canadian Forces Superannuation Act to provide for the benefits set out in subsection (1) on page 2 of the information supplied to the committee on Thursday, May 28, 1964, and that parliament be asked to proceed with it forthwith.

The CHAIRMAN: Mr. Temple, this is a recommendation from a committee for an expenditure of funds, which I think is outside the ambit of our jurisdiction.

Mr. TEMPLE: On a point of order, Mr. Chairman. We sit here and we discuss various things that might be done or might not be done or should be done or should not be done. Now, the minister has supplied us with the information of what is intended to be done, and I think the committee should go on record that we are in favour of getting it done, and to recommend this to the house as soon as possible.

The CHAIRMAN: I would believe that as a notice of motion from a private member the committee might recommend that the government give consideration to doing something, but the committee cannot recommend or order the government to make an expenditure of funds.

Mr. TEMPLE: I will make a resolution in the house to the effect, and I would like the support of the committee.

The CHAIRMAN: Could you give us your motion again, and we will see if you can get a seconder?

Mr. TEMPLE: My motion is that this committee recommends that the necessary amendments be made to the Canadian Forces Superannuation Act to provide for the benefits set out in subsection (1) on page 2 of the information supplied to the committee on Thursday, May 28, 1964, and that parliament be asked to proceed with these amendments forthwith.

The CHAIRMAN: Is there a seconder for Mr. Temple's motion?

Mr. FANE: I second the motion.

Mr. CARDIN: I know Mr. Temple realizes of course that this is contemplated, and that we propose to do this by an item in the estimates, and that it would be retroactive.

Mr. WINCH: Might I ask that this motion be tabled until we have comcompleted our discussion on this matter?

Mr. TEMPLE: All right, I agree to that.

Mr. WINCH: I move that it be tabled until we have completed our discussion on the allowance.

The CHAIRMAN: All right, we will table this motion and it will be dealth with then, at the time we have completed our study of this subject. Have you any other points?

Mr. TEMPLE: No.

The CHAIRMAN: Now, Mr. Lessard.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I have one brief question, Mr. Chairman, I wish to ask the ministre whether it is true that a large majority of Air Force officers among the 500 who will be retired in the near future, are chosen among those who were commissioned while on active service without prior attendance at a military college, and whether, in other words, with regard to remaining in the service, preference will be given to the military college graduates over those who earned their commissions through active service in the Air Force.

Mr. CARDIN: I believe, Mr. Chairman, that we have attempted a short while ago to spell out the norms on which we would base our keeping certain military personnel and releasing others; that had no relation to what my friend was saying. Rank, efficiency, age, etc. would be taken into consideration with regard to the discharge of military personnel. Then, as I have explained

this morning, we must establish a career framework and we hope to find the best people for this, of whatever type may have been their preliminary training.

Mr. LESSARD (*Lac-Saint-Jean*): I have another question. Obviously, it may be somewhat controversial. How is it that, in order to discharge surplus personnel in the armed services, we should have to consider giving them some form of compensation, while in industry we have men who have worked hard for many years and, when they are laid off, they do not necessarily get this same consideration? Why, exactly, is there this feeling of obligation to compensate those who are thus forcibly retired?

Mr. CARDIN: Well, I believe that there is a fairly substantial difference between employment in the armed forces and employment in private industry. It is fairly easy, I believe, for a man with experience in private industry to find a job in various industries. Military training, on the other hand, although some technical skills are taught, is a rather limited field. It is rather difficult for someone, a pilot for example, who does this kind of work for a part of his life, to find suitable work in other fields of private industry.

That is the reason why we believe necessary to give them this advantage. Besides, we are not doing here in Canada something that is not being done elsewhere in all countries where it has been found necessary to discharge military personnel. It has always been thought useful to give them a sum of money in order to help them find a place in private industry.

Mr. LESSARD (*Lac-Saint-Jean*): I thank you for those particulars, Mr. Minister. If I have asked for them, it is precisely in order to have them spelled out, because those questions were asked of me, and I have answered them, but I preferred to have the answers come from you.

Mr. CARDIN: There is also this point that I have overlooked: armed forces personnel do not receive unemployment insurance benefits, while civilians, of course, do get this assistance.

(*Text*)

The CHAIRMAN: Now, Mr. Laniel.

Mr. LANIEL: No, I have no questions.

The CHAIRMAN: Mr. Smith?

Mr. SMITH: There are airmen who are now being discharged because of the change of the role of the air force, and you have mentioned a figure of 500 aircrew. In that group what is the total number that will be discharged?

Mr. CARDIN: The 500.

Mr. SMITH: Just the 500? Are there no supporting airmen, mechanics, and people who maintain the aircraft?

Mr. CARDIN: No, not in that 500 group.

Mr. SMITH: Will there be more? These people are not to be discharged by reason of the unification of the services but by reason of the fact that the weapon they use has become obsolete.

Mr. CARDIN: There will be more than 500 in the normal reorganization of the department.

Mr. SMITH: No, I am sorry. I would like, if I could, to have a separate figure for the people who are likely to be discharged by reason of the change of weapons. Into this class must fall the 500 aircrew. How many more are there in the air force who will be discharged by reason of that change?

Mr. CARDIN: I wonder if you would be a little more specific about the changeover.

Mr. SMITH: Five hundred aircrew are being discharged by reason of the reduction of the use of Voodoos. Is that not so?

Mr. CARDIN: No.

Mr. SMITH: Which plane then?

Mr. HELLYER: The 500 were aircrew which had been built up over a period of time in excess of requirements. If the policy had been to acquire more aircraft in certain roles, they would have had useful employment; but as the policy has not involved the acquisition of more aircraft in certain roles, such as strike, reconnaissance, air defence and so on, consequently they become surplus, and in order to even out the number of pilots available to fulfil the requirements over a longer period of time it was felt desirable that they should be—

Mr. SMITH: You are reducing the number of Voodoos too?

Mr. HELLYER: No, we are not reducing them, no. This is a fallacy resulting from newspaper articles. The only change really is to use the ones which we have more efficiently.

Mr. SMITH: There is no corresponding reduction in the air force personnel, the ground crew, relating to these aircraft who are being discharged?

Mr. HELLYER: Not specifically.

Mr. SMITH: But in particular are we to assume that this is the only reduction to be made in the air force at this time?

Mr. HELLYER: This was a pocket of surplus personnel that was being dealt with strictly on that basis. There was no employment available nor would there be in the foreseeable future. Consequently they are being released at the present time.

Mr. SMITH: The Voodoo squadron at North Bay is to be reduced sometime in the reasonably near future. What will happen to the ground crew which operates that squadron?

Mr. HELLYER: Yes, there may be some small surplus accrue, or there may be a shortage in some other area to which the ground crew would be transferred. That is something we would have to look at. We did have new requirements all through the months of the fall, at the time we were contracting in some areas, and consequently many personnel were transferred. Just what the situation would be in respect to the ground crew of these two disbanded squadrons we would have to determine.

Mr. SMITH: It is not possible to give us a complete figure or projection of the amount of the reduction of air force personnel which will take place in 1964 by reason of the change of role, or the change of aircraft? Then, it is not possible to give us a complete figure or a projection of the reduction of the air force personnel which will take place in 1964 by reason of the change of role, the change of weaponry, or the change of aircraft?

Mr. HELLYER: I do not think there was much of a change. I mean the consolidation from five so-called squadrons into three real squadrons was just a move to increase the efficiency with which the available aircraft were being used. This would have very little effect except for a few less ground crew required and less operating cost. But there would be very little change in personsonel outside of that.

Mr. SMITH: Then, how many personnel will be affected by the close of the base in France?

Mr. HELLYER: This figure has been given. We can get it for you.

Mr. SMITH: Is it in the hundreds or in the thousands?

Mr. HELLYER: It was several hundred. But, as I say, we will have to get this figure for you.

Mr. SMITH: If you would, please. I have a further question. Is any special consideration being given in respect of discharges of these people who are

within a fairly short time of reaching the age limit in their particular rank and who are anxious to get out of the service in order that they can get into such industry where there exists pension plans.

Mr. HELLYER: Well, actually of the 500 air force personnel who were selected for discharge one half were permanent force officers who were exactly in that position, who were reaching compulsory retirement age and who would as a result of this decision be able to readjust themselves sooner than they would if they had served their full term.

Mr. SMITH: Would that principle be applied in the general reduction of the forces? Is there any acceleration for the last couple of years of service for those people who obviously are not going to get promoted.

Mr. HELLYER: This is one of the criteria the associate minister mentioned in his statement this afternoon which would be taken into consideration.

Mr. SMITH: One hears a great deal of comment in that respect. I have another question which concerns people with shorter service and who are in more or less dead end trades or jobs. I have in mind one particular trade, and I know it is a small one to mention to the committee, but I am referring to male registered nurses. Is any help being given to them in view of the fact that there are lots of opportunities for employment outside the service at the present time.

Mr. CARDIN: I am told that officers and other ranks who become redundant in their specialty would be considered as going, this would be applicable also if it would be difficult to retrain them usefully; the other group is the officers enrolled for a fixed term of service and who are no longer required would also—

Mr. SMITH: Does that apply to non-commissioned officers?

Mr. CARDIN: Yes, right across the board.

Mr. MARTINEAU: I would like to ask the associate minister a question. I believe he said this morning that the cash benefits were being extended to facilitate, instead of training, rehabilitation. Is that correct?

Mr. CARDIN: Well, the purpose of the benefits is to permit the people who are being retired before their normal retirement age to be able to rehabilitate themselves or to keep them going until such time as they can find something.

Mr. MARTINEAU: That is, find a new job?

Mr. CARDIN: Yes.

Mr. MARTINEAU: Now, will the minister agree that all men being released are more or less on the same footing, as far as that goes?

Mr. CARDIN: What do you mean when you use the words "the same footing"?

Mr. MARTINEAU: In respect of their need for rehabilitation.

Mr. CARDIN: Yes, I would think there would be differences. They are not all equally qualified. There are three different services and the qualifications and special skills for each of the three services are different.

Mr. MARTINEAU: Would the minister say if it will be easier, say, for a private to rehabilitate himself and retrain for a civilian occupation than, say, one of the senior officers, a colonel or major?

Mr. CARDIN: Well, I think this is a very hypothetical question. Of course, it depends on the private and the type of training he has had, his skills and so on.

Mr. MARTINEAU: Well now, the purpose of my question is this. According to the statement and the information that has been released on the request of Mr. Temple the maximum benefits are as follows. In the case of a major general they range from $15,840 down to $3,300 in the case of a private. The minister has stated the reason for these payments is to facilitate rehabilitation and the

retraining of these people. I am asking the minister does he consider it fair to the private to receive a sum which is about one fifth that of a major general or one quarter that of a colonel when his difficulties are likely to be as great and probably in the natural course of things much greater in finding a new job and in retraining for a civilian occupation.

Mr. CARDIN: I think that you are well aware that the basis on which the benefits have been calculated took into account the rank, the number of years spent, and so on.

Mr. MARTINEAU: I understand that.

Mr. CARDIN: Would you feel that a man who has been a private would warrant the same type of salary that a major or a man who has had a considerable amount more of responsibility warrants? Do you feel that would be equitable?

Mr. MARTINEAU: No, Mr. Chairman, I do not feel that everyone should receive the same salary, but I do feel, and I am putting this out as a suggestion to the minister, that if these benefits are being given to facilitate the rehabilitation of these people that the criteria should be the need of the recipient, and I suggest to the minister the need is likely to be as great for the lower ranks and probably much greater than for the higher ranks, and I wonder if it would not have been fairer if the minister or the department had treated all equally on that basis inasmuch as all of them are in the same situation in regard to being thrown out of an occupation in which they expected, in the normal course of events, to be committed for several years hence and, probably, until the end of their active life.

Mr. CARDIN: I can tell Mr. Martineau that this particular phase of the benefits was considered by the department and the armed services themselves rejected the idea. Place yourself in a position where you are a major and you have an expectancy of four or five years at a certain salary and it is immediately cut off. Then you find you are in a very awkward position; you require more money than would be the case if you were a private who has had a relatively small amount of salary. And, his requirements are less, as a result of which he would be losing less than the major or the captain would be if his normal term of office were to continue. It is on that basis we felt that the scale of salary should also be the scale of the benefits we pay.

Mr. MARTINEAU: In order to compensate or to re-establish an equilibrium between the ranks would the minister consider extending to the lower ranks an additional benefit in the form of optional training, if they desired, at a cost to the department, in order to facilitate their rehabilitation.

Mr. CARDIN: I think if you will take a look at the scale you will find so far as income tax is concerned there is a considerable difference in the amount of money which is withdrawn from a private as compared with that withdrawn from a major general. For instance, out of the $15,000 the major general would receive, he pays income tax of $3,105, and the private out of his $3,100, pays $77.13. With this amount of money we feel it is possible for him to be able to rehabilitate himself, and it is proportionate to the amount of money he was earning while he was in the services.

Mr. MARTINEAU: I understand there was some consideration to be given in respect of the deduction that would be made for income tax. Has the department reached a final decision in that regard?

Mr. CARDIN: Yes. We do not feel it would be wise to exempt the benefit from being taxable. As members of the committee know, there are several gratuities in national defence, and all of these are taxable. When the benefit in this particular context was studied, it was felt it would be better to give the

person a greater amount of money and tax it, than to give a lesser amount and not have it taxed, so that we can keep uniformity in our treatment of gratuities.

Mr. MARTINEAU: Has there been consideration given to studying the tax burden on that person, say, over five years rather than over a single year?

Mr. CARDIN: Yes. Consideration has been given to this and I understand it has been decided it would not be in the interest of the person paying the income tax; he would be paying more in that manner than he would if it were in one lump sum.

Mr. MARTINEAU: Concerning training, has the department considered issuing certificates to departing personnel which would attest to the skills or trades which they have acquired during their service years, and giving that certificate a standing similar to that of certificates issued by civilian authorities?

Mr. CARDIN: I am not sure whether that has been done. However, I understand there may be some difficulty in giving certificates in certain specialties. I will be happy to look into that.

Mr. MARTINEAU: Has the department given consideration to facilitating the transfer, say, of an airman to another service such as the army? Perhaps he may be redundant in one service and yet his services may be required in another. Has any consideration been given to such a transfer on an automatic basis from one service to another?

Mr. CARDIN: I think this matter automatically would be looked into on a selective basis when we are deciding which people are to go and which are to stay. I think this would be considered at that point.

Mr. MARTINEAU: The minister has no definite information on that?

Mr. CARDIN: The reorganization of national defence is being done across the board and when it comes time for the selection of people who will be let go, I imagine that someone who is qualified, let us say in the air force, and could have a place in the army, would be considered as being retained. This would be part of the normal selective basis on which we would work.

Mr. LLOYD: I wonder whether the minister might enlarge on the question of the significance of income tax payments. A question was asked and I think the associate minister answered by saying that if it was spread over five years it would cost more. I think this is because of the particular way we tax the services. I believe we should have an explanation of how they are taxed, compared with other individuals, to illustrate the advantage which they may have taxwise.

Mr. CARDIN: Mr. Hodgson will answer.

Dr. J. HODGSON (*Assistant Deputy Minister of National Defence-Finance*): I would like to say that I am not an income tax expert. I can speak only about certain applications of the Income Tax Act. Members of the services pay their income tax not on an annual basis, but on a monthly basis. Their taxable income is determined practically in the same way as that of other members of the community. The tax on special benefit is determined in this manner: Firstly it is counted not as income, but as a gratuity. Secondly, only 5 per cent of the special benefit is taken into account at all for income tax purposes. Thirdly, the rate of tax that is applied to that 5 per cent of the special benefit is the same proportion that the tax in his last serving month formed of his pay and allowances in that month. So, if he is receiving, shall we say, $500, and paid in that month $50 tax, then his rate would be $50 over $500 which is 10 per cent. His income tax, therefore, would be 10 per cent of his special benefit.

In most cases this means that his income tax is well below half of what his tax would be if this sum were treated as income. We calculated the case of an army captain with 16 years service, married with two children, and not within five years of his compulsory retirement. This captain would be entitled to a special benefit of $6,350, and he would pay on this system of income tax on the special benefit $583, approximately, whereas if it were treated as income and dealt with in the same year, he would pay $1,206.50. If it were treated as income and spread over several years, it would be some intermediate figure between those two.

Mr. LLOYD: If the wife is earning income, does it affect his exemptions for tax purposes in the service at these rates?

Mr. HODGSON: This is calculated on the basis of what he makes.

Mr. LLOYD: If he were to obtain a job in the same year immediately upon severance, or if some income is earned, or if he had other income, that would be taxed at the usual rates and this would not accelerate because of his other income to a higher level of tax.

Mr. HODGSON: This is precisely so.

Mr. LLOYD: The impact of the income tax on the amount of the gratuity income is considerably less than would be the case which we might expect otherwise if it were normal.

Mr. HODGSON: That is right.

Mr. FANE: Mr. Chairman, I must say it is very difficult to follow seven such avid questioners as I am following! Mr. Martineau just about completed all the questions I had to ask, particularly with regard to income tax, but I think there is one other matter I would like to bring up.

I would like to ask the minister if he has considered keeping people who are to be retired from whatever service they might be in rather than recruiting new people for the various services. The people who are already in the services are trained, and keeping them would obviate the necessity for training other new people who have no training. I am speaking now of officers with short term commissions. Some of them may be available for rehiring if there is the necessity for people in their category when they are to be retired.

Mr. CARDIN: Mr. Fane, we stated earlier that if any of these people are required they will be retained. That is the basis upon which we are working. Whether or not we should stop all recruiting in order to utilize those who are in the services but do not have positions any more is another matter. We would unbalance our structure if we were to do that. It would result in the retention of a considerable number of older men, and I think it would not be advantageous to do this. We should continue to recruit younger men and try as much as possible to bring in specialists in their field. As you know the forces are becoming more and more technical, and that is the reason for which we feel we should continue recruiting.

Mr. FANE: And training these new men as the older ones have been trained already?

Mr. CARDIN: People who are doing jobs that are still required will be retained. We are speaking now of people who have been trained in certain fields which are no longer required.

Mr. FANE: Yes, I understand that.

All the questions I had intended to put have been answered, Mr. Chairman.

Mr. WINCH: In view of certain questions that have gone before I would like to ask the minister of national defence if I am correct in my belief that

the minister denies reports that 500 air crew are to be relieved from duty because of a couple of plane crashes and the mothballing of them. That was a press report.

Mr. HELLYER: I did not see that press report, Mr. Winch, but I can assure you that would be highly inaccurate.

Mr. WINCH: May I now ask the associated minister two questions?

Is the associate minister putting himself in the position of being the know-all as far as members of the service are concerned? Many have requested that they be given the same opportunity as was extended in the last world war on cessation; that is, they were given the opportunity of a training instead of cash. Have you closed your mind to this request which has come from many members of the forces?

Mr. CARDIN: Mr. Chairman, I certainly would not want to be the one responsible for answering all questions and I certainly have not closed my mind to the idea of retraining in the services. However, even though my mind may be open on this question, I still believe that it would be to the advantage of the people who are being compulsorily retired to be given an amount of money so they will have the choice and option of doing with it what they will.

Mr. Winch, you would be the first to agree that if we had done just the opposite and if we had stated that instead of giving cash benefits we would go ahead with retraining the service members, we would have found ourselves involved in a really controversial exercise. Those who want to be rehabilitated can be rehabilitated with the cash benefits they will obtain. Those who want to put their cash into business can do so. I think the people are mature and wise enough to be able to spend their money far more favourably than you suggest.

Mr. WINCH: I am sorry, sir, but I do not see the halo over you head! However, I am afraid you do not know human nature as well as apparently a lot of our service people do. Numbers of them would like to have the opportunity of training. You are not prepared to give that as an option?

Mr. CARDIN: The number of people who would be compulsorily retired in this way would not be great enough for us to start off on a universal retraining program. It is felt it would be easier for those who want to rehabilitate themselves to go to university or technical colleges in whatever field they wish; it would be difficult with a relatively small number of men to start out on a full rehabiltation training program.

Mr. WINCH: I have another point to put to the associate minister. You spoke this morning about the civil service. Can we take it from you that civilians on the defence staff who may no longer be necessary will be taken care of and transferred to other departments? I am interested in those who have long service. What provision are you making for those people to be given jobs in other departments? What provision are you making for them?

Mr. CARDIN: I wish I could say that there will be no civilian employees who will be out of work. Unfortunately, I cannot say this because there will be some, and in order—

Mr. WINCH: I am asking what provision you are making for them if they have long service.

Mr. CARDIN: Just to show you I have an open mind, let me tell you that whole question is being studied again by the treasury board and the civil service Commission.

Mr. WINCH: How soon do you expect to be able to make an anouncement of that?

Mr. CARDIN: I hope very soon, but I have no idea just when the announcement will be made.

Mr. WINCH: I have one more question for the associate minister.

With regard to the change of policy which will mean compulsory retirement, will any of those engaged in overseas service on the Gaza strip, in Cyprus, in France or in Germany be affected?

Mr. CARDIN: I cannot answer that question just now because, as we mentioned before, this will be reviewed right across the board. I could not say whether or not there will be people in Gaza or in Europe who will be compulsorily retired.

Mr. WINCH: You contemplate that it is possible?

Mr. CARDIN: I would think so, yes.

Mr. WINCH: What provision is being made for the eventuality of their retirement and their return home, particularly if they are not of officer rank?

Mr. CARDIN: I would think we are back again to the key question of the whole thing—requirement. If they are required they will be kept on; if they are not required they will be withdrawn. This is the key to the whole program.

Mr. WINCH: Will you give consideration to the terms on which they are brought back as far as their own freight is concerned? I ask that, Mr. Chairman, because I am very concerned about information which I have received in regard to the most discriminatory basis upon which officers and other ranks are allowed to come back to Canada and the amount of freight they can bring. This is the most discriminatory regulation I have ever seen in my life. However, perhaps we can discuss that at a later time. I presume you know what I am referring to.

Mr. CARDIN: No, I do not. I wish there could be a little more clarification on this.

Mr. WINCH: Now or later?

Mr. CARDIN: Whenever you wish.

Mr. WINCH: Do you mind?

The CHAIRMAN: Is it the wish of the committee that Mr. Winch proceed?

Agreed.

Mr. WINCH: This is with regard to people coming back from service overseas and their allowance for freight. If one is an officer—

Mr. GROOS: What is the source of this information?

Mr. WINCH: This regulation is referred to as "package entitlement". If you are an officer on repatriation you are allowed 500 pounds. If you are an airman on repatriation you are allowed 200 pounds. I was in the armed services both as an O.R. and as an officer and the only excess baggage I had as an officer over what I had as an O.R. was for mess dress. An officer on repatriation is allowed 500 pounds and an airman is allowed 200 pounds. A school teacher on repatriation is allowed 500 pounds and the wife of an officer, an airman or a school teacher is allowed 550 pounds. Dependents other than wives are allowed 350 pounds whereas flight cadets, army cadets and other summer employment personnel are allowed 100 pounds. This to me is an extraordinary situation, and I raise this now because I referred to it earlier. For God's sake, and I say for God's sake, an officer only has his mess dress in addition to that which an O.R. has, yet he is allowed an additional 250 pounds in respect of what he can bring back from service overseas. I hope this situation will be looked into especially if these personnel are to be brought back under this policy.

Mr. CARDIN: I will look into that situation, Mr. Winch.

Mr. WINCH: I have two further questions I should like to ask the associate minister.

The CHAIRMAN: Perhaps you will allow me to interject at this point, Mr. Winch. This line of questioning appears to be getting away from the specific problems of Bill C-90 and the retirement of people involuntarily as the result of the unification of command. I think we are getting into an area of general personnel problems.

Mr. WINCH: That may be true except that I asked whether or not there might be some individuals coming back from overseas service falling in this category.

The CHAIRMAN: I appreciate that fact.

Mr. WINCH: If there are I want to know what the position will be. I am interested in what they can bring back and who has to pay for bringing it back.

May I now ask two questions of Mr. Hodgson?

Can you tell me whether it is by regulation or by legislation that a person coming into the employment of the government service has to forego his pension? Were you here this morning when I asked this question?

Mr. HODGSON: Normally a pension is abated in certain circumstances, and it is done by legislation.

Mr. WINCH: Can you tell me the name of the act?

Mr. HODGSON: It is the Armed Forces Superannuation Act.

Mr. WINCH: It states that you cannot draw a pension if you go into another branch of the government service?

Mr. HODGSON: It says that if your salary in another branch of the civil service is more than a certain amount your pension is abated progressively.

Mr. WINCH: Thank you.

Mr. HARKNESS: This does not apply to everybody.

Mr. WINCH: That is what I am trying to find out.

Mr. HARKNESS: This only applies to officers and does not apply to O.R.'s. You have now got this in reverse to the way you referred to it awhile ago. You have a discrimination against officers.

Mr. WINCH: No. If a person at the moment is in the armed service and is going to be compulsorily retired let us say at the end of July or something of that nature, and goes into the service of the government, does he automatically have to lose the pension he would have been entitled to if he went into private industry?

Mr. SMITH: That depends on whether the individual is an officer or a serviceman of another rank.

Mr. WINCH: When an individual is compulsorily retired he is no longer an officer.

Mr. SMITH: Yes, but he was an officer.

Mr. HODGSON: If he was previously an officer now on pension under the Armed Forces Superannuation Act, if his salary in the civil service is such that the pension and salary otherwise would be in excess of his former salary then his pension is abated by the excess amount. He does not lose his whole pension, it is just shaded down.

Mr. WINCH: That means that if an individual formerly was an officer in the armed forces of Canada and is now in government service as a civilian, no matter what his salary is he shall be entitled to receive what he received formerly as an officer?

Mr. HODGSON: That is the principle, yes.

The CHAIRMAN: He is not entitled to receive more.

Mr. LLOYD: He is not entitled by way of salary and pension to more than his former salary.

Mr. WINCH: I think I will study this a little further.

May I now direct one or two questions of the deputy minister in respect of the matter of separation allowance as outlined under the new policy? Who made the decision in this regard, the department of national defence or the department of finance?

Mr. HELLYER: I think perhaps I should answer the question, Mr. Chairman. The decision was made in that same simple fashion in which most decisions are made in the government. It came through from a recommendation in the Department of National Defence to the ministers, from the ministers to the treasury board, from the treasury board to cabinet for approval.

Mr. WINCH: So you basically are the man responsible?

Mr. HELLYER: Under our constitutional system the associate minister and I are willing to share the responsibility for this along with all our other cabinet colleagues.

The CHAIRMAN: Have you any other questions, Mr. Winch?

Mr. MACLEAN: I have one or two brief questions Mr. Chairman.

Has an estimate been made of the number of personnel who will be prematurely retired, and what percentage of them are veterans of world war II or of the Korean war? Are those who are veterans disqualified as a group from receiving benefits under the veterans charter or will they receive the same benefits under the veterans charter for which they still might qualify, and I am thinking chiefly of settlement and small holdings under the Veterans Land Act, or something along that line?

Mr. CARDIN: I do not know whether it is possible to give any percentage in respect of the people who would have served in the two world wars at this stage. However, those who did serve and who have special benefits would not be affected in respect of those benefits at all by the provisions of benefits provided for here.

Mr. MACLEAN: Their intermediate service in the permanent force will not disqualify them?

Mr. CARDIN: No, I would think not.

Mr. MACLEAN: So they would be in the same position as though they had not joined the permanent force after their service in the Korean or world war II, which ever the case may be?

Mr. CARDIN: They would not be deprived of any advantages, that is correct.

Mr. MACLEAN: Thank you.

Mr. MACRAE: Mr. Chairman I should like to direct my question to the associate minister and it deals with retirement with special benefits. It relates also to personnel in a low category who are reasonably near the retirement age and who request retirement. In order to lay the groundwork to my question, and I will be brief, I should like to give an example with which I am familiar.

A major in the Canadian army, who is within five years of retirement and whose category has been dropped to category P-3, will be kept on until his retirement from the forces. That is his understanding and I believe that to be the case. He is only using a portion of his potential because he was a regimental officer. This is a specific case but I am sure the minister will concede that there very well might be a number of officers and other ranks in the three services who would fit this description. The minister has said that he has an open mind. I ask him whether he would not concede that perhaps in the interests of the service itself, careerwise, having regard to others who have been held up in

their careers because of promotions and from an economical point of view, some consideration should be given to officers and men in this particular category? I think Mr. Harkness touched upon this situation this morning but I wanted to repeat the general question in order that the minister could consider whether it would be of advantage to the service to take another look at the situation resulting from officers and others requesting retirement with a special benefit.

Mr. CARDIN: I think that this situation would normally be considered.

I am quite sure that, without having to go through a whole survey of this, people in that category would definitely make known their desires, and this certainly would be taken into account.

Mr. MACRAE: In other words, you would look upon that with favour.

Mr. GROOS: I did not really want to ask much in the way of a question but it is more in the nature of an observation. I am tryingto keep this in perspective. We are trying to run a force of 25,000 reduced by 10,000. This is not such a gigantic operation or a very excessive figure. Perhaps the thing has been thrown out of proportion by this one group of 500 that arrived bang on our doorstep at the very outset, because I think if you look back at the figures of some of the armed services you would see that over a period of 10 years, in the normal course of people going out of the service, practically 100 per cent of them have passed through in that 10 year period, so if we are running down 10,000 of 125,000 over a period of only two years it would not surprise me to find that this is not of very great significance at all. It really is a matter of trying to choose the right people to go and the right people to stay behind.

I would also like to remark that I presume we have had the advantage of being able to see how other countries have handled this problem. We are not the first to do this in peacetime, and we have, in this instance, the regulations that the minister has presented before us. I presume we have had the advantage of seeing what other people have done in other countries. Is this not so?

Mr. CARDIN: Yes, we have the experience of the British and the French. One thing that might be interesting is that normal attrition in the armed forces is a thousand per month.

The CHAIRMAN: Are there any other questions?

Mr. GROOS: I hear in the British forces this is called the golden bowler and in Canada it is called the silver stetson. I have no more questions.

Mr. SMITH: My question has been substantially asked. I would like to say that I support what Mr. MacRae has said. He put the problem much better than I could. I am referring to the people who are reaching towards the end of the road, and the fact that every consideration should be given to accelerating their discharge. I think that probably will take up the balance. It seems too that the figure of 10,000 that was bandied about caused unnecessary alarm perhaps among the people, because it appears clear from the associate minister's answer to Mr. Groos just now that it really is not going to be, in most branches of the services, a very startling decrease.

There is one other figure which I should like to know: How many people, if any, are going to become unnecessary in the air force this year, and who will be discharged by reason of the closing of the radar stations that are presently notified for closing and those which may be closed during the year?

Mr. HELLYER: Practically none, Mr. Chairman. The personnel from the radar stations which have been closed were urgently required to man the new radar stations which were being open.

Mr. SMITH: By reason of their high technical training.

Mr. HELLYER: They were required to man the heavy radar stations, and consequently most of the personnel who were engaged were just transferred to their new employment in the same field.

Mr. SMITH: Will every opportunity be given in various services for transfer from one service to another as integration progresses?

Mr. HELLYER: This is certainly one of the benefits which will accrue from the new organization.

Mr. SMITH: It ought to be one of the benefits.

Mr. HELLYER: It had better be, so that people can be posted where they can serve best, and so you will not have, as has happened once or twice in the past, a surplus in one service, a shortage in another occurring simultaneously, and no effective means of using the resources which are available.

The CHAIRMAN: That completes the list of questioners on this phase.

Mr. WINCH: I will not make a motion but I would like to make a suggestion to you, as Chairman, that perhaps the steering committee may take under immediate advisement the calling of a special *in camera* committee meeting to consider the advisability of making a special Report to the House of Commons relative to the policy terms of both the armed service personnel and the civilians who may, under the new government policy, have to leave the services.

The CHAIRMAN: This is an item that the Steering Subcommittee should consider and recommend to the main committee.

Mr. WINCH: Will you have a meeting of the Steering Subcommittee?

The CHAIRMAN: I will call a meeting of the Steering Subcommittee.

Mr. TEMPLE: Mr. Chairman, on a point of order, I put a motion before the committee.

The CHAIRMAN: We could do one of two things, Mr. Temple, I would suggest, if you would be agreeable, that possibly the motion might be withdrawn in view of the meeting of the Steering Subcommittee. I believe that if we start to try to write a Committee Report piecemeal through motions of the general committee, that it is not a very orderly way of proceeding.

Mr. TEMPLE: I agree it is not orderly but it is a matter of some urgency.

Mr. SMITH: Could we have an explanation of the motion?

The CHAIRMAN: Your motion is in order with some rewording.

Mr. TEMPLE: Perhaps, with the agreement of Mr. Fane, I could put a substitute motion:

> That this committee go on record as supporting the intention of the government to amend the Canadian Forces Superannuation Act as set out in subsection (1) of page 2 in the information supplied to the committee on May 28, 1964, and expects that this will be done as soon as possible.

The CHAIRMAN: Would you agree to that rewording of the motion?

Mr. FANE: Yes.

Mr. SMITH: Mr. Chairman, on a point of order; I do not agree that the motion is in order. We sympathize with the point of view expressed by Mr. Temple, and I think he has made his point perfectly clear, but I do not think that such a motion is the proper committee procedure to deal with this matter.

Mr. WINCH: May I perhaps express an apology to Mr. Temple but I made my suggestion because I knew of his previous motion. That is why I sug-

gested that there should be a Steering Subcommittee meeting to consider all these matters, and that we ask for a special meeting *in camera* to discuss the advisability of our Committee making a Special Report on all these phases to the House of Commons. I offer my apologies for not having discussed that with Mr. Temple but I had this suggestion in mind. Would Mr. Temple and the Seconder agree that this ties in with the broad principle of his motion, that is to have the Steering Subcommittee meet and go into this entire matter with the idea of an *in camera* meeting to discuss whether or not we shall make a Special Report on all these matters? Does that cover the entire situation that you have in mind?

Mr. TEMPLE: This does not preclude the balance of it. It is my understanding that the granting of the benefits under the Canadian Forces Superannuation Act to which I have referred is subject to approval by parliament, and also that these officers are being discharged about the middle of July. While we can go on with the other matters, this requires the approval of parliament, and I just want to show, if we feel that way, that this committee agrees with that intention. With the agreement of this committee there is not likely to be any prolonged debate of it in the house.

Mr. SMITH: I think you are perfectly safe.

Mr. TEMPLE: This is just to ensure it.

The CHAIRMAN: Could I have a copy of the new motion? The motion is by Mr. Temple seconded by Mr. Fane, and is reads as follows:

> That this committee go on record as supporting the intention of the government to amend the Canadian Forces Superannuation Act as set out in subsection (i) of page 2 of the information supplied the committee on May 28, 1964; and expect that this will be done as soon as possible.

Is there any discussion on the motion?

Mr. WINCH: Just a little, to start with; I am a little bit disturbed about this because there is no Bill before the House, and there is no Bill referred to this Committee. This is not something we can take up and have a general discussion about.

Mr. TEMPLE: We are not asking for any legislation. We are expressing a pious hope or expectancy.

The CHAIRMAN: It was a motion expressing a sentiment or hope dealing with one of the items that we have had under discussion, as agreed to by the committee, under Bill No. C-90. Therefore I believe it is in order, and if there is no further discussion I believe we should have the question. All those in favour of the motion? Those opposed, if any I declare the motion carried unanimously.

Mr. WINCH: What do you intend to do with it now?

The CHAIRMAN: It is merely on record. When we write our report, presumably it will be considered. It is on the record of the Committee. We have now concluded our questioning on this particularly phase and I have no further questioners. Would the committee be agreeable to this: we have two choices, one, to adjourn, or if the committee agrees, since the Judge Advocate General is here, we could stand clause 1, and start proceeding with the bill clause by clause.

Mr. MARTINEAU: I think it is a little late.

The CHAIRMAN: Is there a motion for adjournment?

Mr. SMITH: I move we adjourn.

The CHAIRMAN: It is agreed.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

WEDNESDAY, JUNE 3, 1964

Bill C-90, An Act to amend the National Defence Act.

WITNESS:

Mr. Elgin B. Armstrong, Deputy Minister of National Defence.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20923—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame de-Grâce*),	Harkness,	Martineau,
Béchard,	Langlois,	Matheson,
Brewin,	Laniel,	McMillan,
Deachman,	Lessard (*Lac-Saint-Jean*),	Nielsen,
Fane,	Lloyd,	Pilon,
Granger,	MacLean,	Smith,
Groos,	MacRae,	Temple,
		Winch—(24).

Quorum 13.

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, June 3, 1964.
(6)

The Special Committee on Defence met at 4:20 p.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Deachman, Fane, Granger, Groos, Hahn, Harkness, Laniel, MacLean, MacRae, Matheson, Nielsen, Smith, Temple, Winch—(15).

In attendance: The Honourable Lucien Cardin, Associate Minister of National Defence; and Mr. Elgin B. Armstrong, Deputy Minister of National Defence.

The Committee continued its consideration of Bill C-90, An Act to amend the National Defence Act.

Mr. Armstrong read a prepared statement respecting the proposed set-up and operation of the National Defence Department. The Deputy Minister was questioned on the contents of his statement and on related matters.

At 5:40 p.m. the Committee adjourned until 11:00 a.m. Thursday, June 4, 1964.

E. W. Innes,
Clerk of the Committee.

20923—1½

EVIDENCE

WEDNESDAY, June 3, 1964.
4:20 p.m.

The CHAIRMAN: We now have a quorum. We are continuing with Clause 1 of Bill No. C-90. We have as witnesses the Associate Minister of National Defence and Mr. Elgin B. Armstrong, deputy minister of the Department of National Lefence who will make a statement to be followed by questioning Mr. Armstrong.

Mr. Elgin B. Armstrong (Deputy Minister, Department of National Defence): Mr. Chairman, Mr. Cardin, and members of the committee, Bill No. C-90 proposes only one far-reaching change in the organization of the Canadian forces. The amendments to Section 19 would replace the chairman, chiefs of staff committee and the chiefs of the naval staff, the army staff and the air staff with a chief of defence staff with the same responsibilities and powers over all of the Canadian forces as now reside in each of the chiefs of staff over the component of the Canadian forces which he commands. The remaining amendments proposed are consequential on the amendment to Section 19 in that it is necessary to revise those sections of the act which refer to the offices which will be replaced by the office of the chief of defence staff.

These proposed amendments do not change the responsibilities of the deputy minister. These responsibilities are associated directly with those of the minister for control and management of the Department of National Defence. This is essentially a staff management function which is not affected by the changes proposed in Bill No. C-90, under which the chief of defence staff, subject to the direction of the minister, is charged with the control and administration of the forces precisely as each chief of staff is now in respect of the component of the forces which he heads. The chairman of the defence research board continues to be the Chief executive officer of that organization. It is important to efficient administration that those charged with operating responsibilities have clear authority to direct and control the operations they command. It is equally important that management define the objectives for the operator and allocate appropriate resources to his command to do the task assigned. These basic principles apply to the present organization as well as the proposed one. It is at the same time management's job to achieve its goals as economically as possible. Because of the interrelationships between the forces at all levels, headquarters, support, training and operations, a variety of methods have been devised to achieve the desired results under the present organization. Joint staffs have been established at headquarters, individual services have been assigned supply functions in certain areas for all three Services, a single Canadian forces medical service has been established and so on. I am sure the members of this committee are familiar with the many such arrangements that have been brought about in recent years. While these arrangements have worked, by and large, fairly well, they inevitably come up against, to some degree, the responsibility of the individual service chief to control and administer his own Force and there is a limit beyond which the complications outweigh the advantages that might otherwise be obtained. The change proposed in Bill No. C-90 would ease considerably the organizational difficulties that exist under present arrangements.

Insofar as the deputy minister is concerned, various statutes including the Civil Service Act, the National Defence Act and the Interpretation Act, deal with and define the duties and responsibilities of the deputy minister. Briefly these statutes establish that the deputy minister:

(1) may exercise all the powers vested by Statute in the Minister, unless the vesting authority specifically provides that the Minister must act personally;

(2) has general control of the business of the department, except that he has not the power to oversee the armed forces or to issue orders to them except through the chief of staff.

To put this into greater detail, the Deputy Minister is responsible:

(1) as the minister's deputy, for ensuring that all resources, financial, manpower and material, available to the department are used to best advantage;

(2) for the general management of the business of the department;

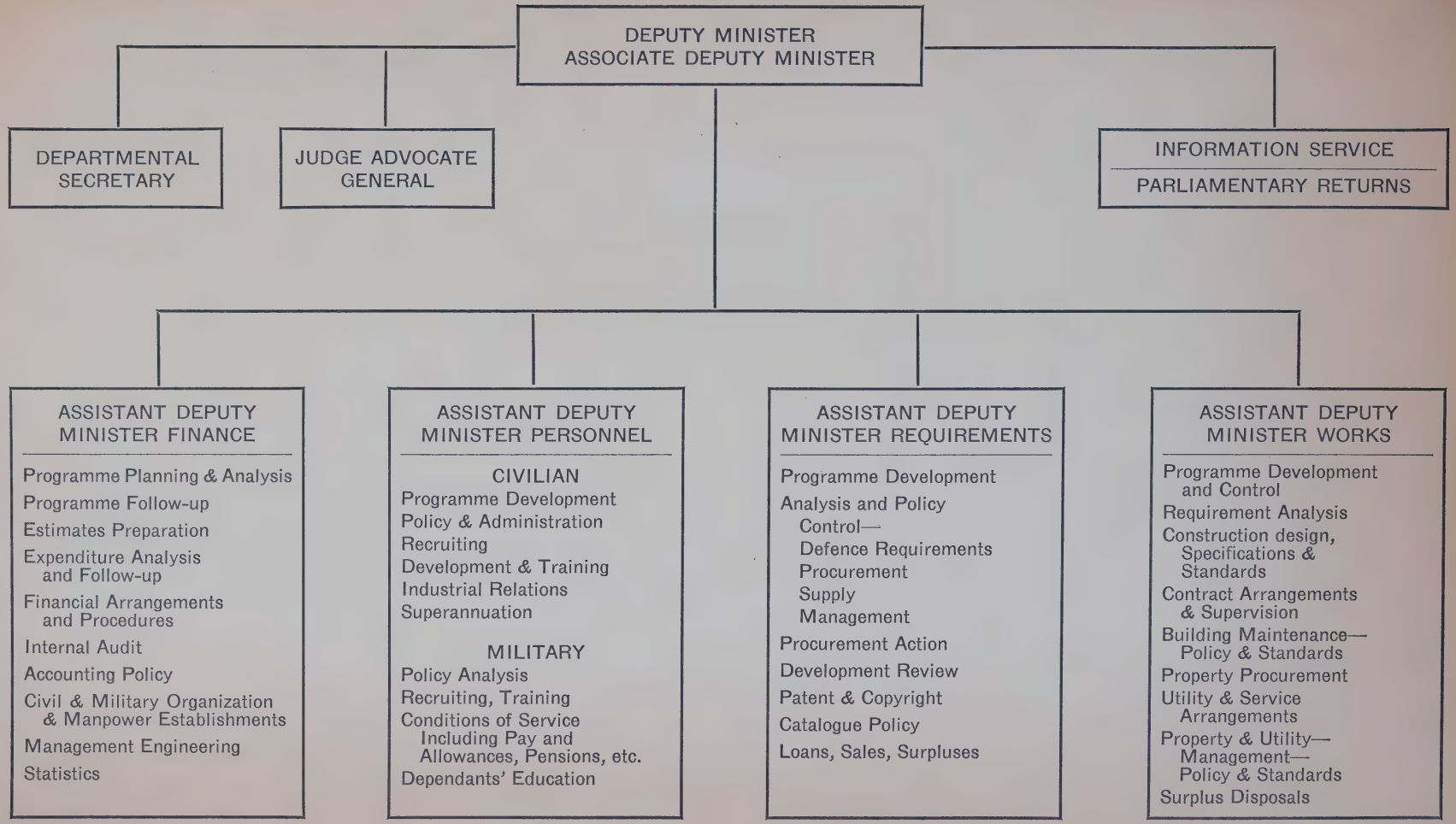
(3) for ensuring that the programs of the department are in consonance with government policies and within the statutes of Canada;

(4) for keeping under supervision and review the organization and administrative methods of the department.

Some changes will be made in the deputy minister's branch of the department as a consequence of the change in the military organization and in consonance with the policy of strengthening the civil control function. In proposing the changes in organization of the Branch account has been taken as well of the recommendations of the Glassco Commission. I would direct the committee's attention to the organization chart.

The top line shows three divisions reporting to the Deputy Minister. The first is the departmental secretary. This is an existing function which will alter in degree as a result of the re-organization of the Forces. He is the provider, at the present time, of secretarial services to a number of tri-service committees in addition to other general duties related to the secretarial function of the department. As tri-service committees will disappear, these services, formerly provided in this respect, will no longer be necessary. The departmental secretary will continue to provide secretarial services for defence council as he has done in the past. In addition he will have supervision of the Central Registry, the library; services provided for the department as a whole. The Judge Advocate General's branch serves both the military and civilian departments for legal services in addition to the Judge Advocate's responsibilities with respect to judicial matters. There will be no change in this organization. Information services are provided at the present time through public relations branches in each service with one officer in the deputy minister's branch to co-ordinate central activities. It is planned to have a single information service branch for the department as a whole. This branch will service all elements of the department in this respect and will provide central planning and direction to these activities. It is believed that adequate information service can be provided in respect of defence activities in this way at considerably reduced cost.

Below it will be noted that, as at present, there are four assistant deputy ministers and that in very general terms, their fields of interest remain the form of organization of the administration branch harmonizes well with the form of military structure which the minister has already outlined to the committee. As far as possible the functions of the various assistant deputy ministers have been grouped in order to correspond with those of the senior staff officers of the chief of defence staff, so that each assistant deputy minister


DEPUTY MINISTER
ASSOCIATE DEPUTY MINISTER
DEPARTMENTAL SECRETARY
JUDGE ADVOCATE GENERAL
INFORMATION SERVICE
PARLIAMENTARY RETURNS
ASSISTANT DEPUTY MINISTER FINANCE
Programme Planning & Analysis
Programme Follow-up
Estimates Preparation
Expenditure Analysis and Follow-up
Financial Arrangements and Procedures
Internal Audit
Accounting Policy
Civil & Military Organization & Manpower Establishments
Management Engineering
Statistics
ASSISTANT DEPUTY MINISTER PERSONNEL
CIVILIAN
Programme Development
Policy & Administration
Recruiting
Development & Training
Industrial Relations
Superannuation
MILITARY
Policy Analysis
Recruiting, Training
Conditions of Service Including Pay and Allowances, Pensions, etc.
Dependants' Education
ASSISTANT DEPUTY MINISTER REQUIREMENTS
Programme Development
Analysis and Policy Control—
Defence Requirements
Procurement
Supply
Management
Procurement Action
Development Review
Patent & Copyright
Catalogue Policy
Loans, Sales, Surpluses
ASSISTANT DEPUTY MINISTER WORKS
Programme Development and Control
Requirement Analysis
Construction design, Specifications & Standards
Contract Arrangements & Supervision
Building Maintenance—Policy & Standards
Property Procurement
Utility & Service Arrangements
Property & Utility—Management—Policy & Standards
Surplus Disposals

will transact most of his business on the service side with one senior service officer.

Mr. WINCH: Are they all civilians?

Mr. ARMSTRONG: Those are all civilians, yes. The Judge Advocate General staff, as you know, is mainly military. The assistant deputy minister (works) is a military officer seconded to that job. For example, the assistant deputy minister (personnel) will be the approximate counterpart of the chief of personnel, in the military structure, and the assistant deputy minister (finance) corresponds roughly to the service comptroller general.

The principal changes proposed are the following:

(*a*) Introduction of a defence programming system. This System has been mentioned by the minister in the House of Commons, and will be described in greater detail in the present statement.

(*b*) Various changes designed to implement the recommendation of the royal commission on government organization "... that the deputy minister be given greater responsibility for keeping under review the organization and administrative methods of the Canadian defence establishment". These changes include:

(i) Formation of a management engineering group to assist the services in the continual improvement of administrative procedures and the application of modern management improvement techniques.

(ii) Control of military as well as civil establishments, excluding military operational units.

(iii) Establishment of a staff group responsible for operating policy and procedures in the accounting field.

(iv) Establishment of a civil staff group in the field of logistics management, to complement the staff groups on the material and equipment requirements side.

That will fall under the assistant deputy minister requirements.

(*v*) Assumption of certain additional responsibility in the works field for construction design as well as property and utility management.

Apart from these, there will be other functional adjustments. For example the Inspection Services will be transferred from the deputy minister's organization to that of the chief of defence staff. Inspection Services now come under the deputy minister for administrative purposes and under the principal supply officers' committee for technical direction. In some areas because of the need to maintain a very close association of the user and the inspection and quality control service, particularly in the aircraft and ship construction fields, the Service concerned operates its own inspection service. With the revised organization it will be possible to have a single inspection service reporting directly to the chief technical officer in the service overcoming the difficult inter-relationship problems that have been present in the present organization.

Another change in the other direction is that the total internal audit function of the department will be concentrated in the chief auditor's section, on my staff or the assistant deputy minister of finance staff, and the emphasis upon management auditing techniques will be increased. This will result in an increase in the staffs of the chief auditor but in an over-all net reduction in the auditing staffs of the department as a whole.

The committee will be interested in more specific information regarding the defence programming system. Defence programming, of course, is a long-standing and well-established activity of the Department of National Defence. What is new at this time is the particular method to be introduced.

In the past the principal instruments of programming have been what has been known as the "mark document" and the departmental estimates. The mark document is an outline plan, prepared annually by the chiefs of staff, stating the proposed programs of the armed services and the approximate costs of these programs during the next fiscal year and the succeeding four years. It is prepared in order to obtain guidance from the minister as to the military programs to be included in the estimates for the approaching fiscal year. When these decisions have been made, the Services proceed with the preparation of their financial estimates for the year, and these estimates are reviewed by the deputy minister, the minister and in due course the treasury board.

The new plan consists of a management system for planning and controlling major defence programs at the departmental level. Instead of the mark document, which is an annual statement of proposed programs, the new system will be based upon a detailed presentation of the approved long-term program, which will be up-dated at regular intervals. As was stated in the defence white paper, the purposes of the system are:

(*a*) to assist top management in the department in decision making by providing the means of analyzing and assessing various military programs and activities in terms which will relate military effectiveness to financial costs, manpower requirements, equipment needs, etc.

(*b*) to provide the type of data which will enable the effects of defence decisions to be clearly expressed in terms of forces, manpower, equipment, and money both in the short term and over a period of years.

For purpose of the programming system, the total Canadian defence program will be set out in terms of major programs. Each program will be analyzed into principal components, sub-components and elements. The elements will consist of military units or groups of units. The documentation to be maintained for each of the elements will ultimately cover:

(*a*) the forces involved

(*b*) major equipment and other resource data

(*c*) manpower, military and civilian

(*d*) the financial implications in general terms (capital and operating costs).

The time-phasing of each element over the future years will also be shown. Thus there will be available to the Minister at all times clear and detailed information which will assist in arriving at decisions on the most effective use of defence resources.

Proposals for changes in the approved long-term program will be submitted in terms of the program elements affected. A proposal will show, for example, not merely the capital cost of a proposed purchase, but also the operating cost, the personnel involved, the time phasing, and the effect upon the previously approved program. If the program change is approved, the elements involved are suitably amended so that the approved program is at all times up to date.

The system will also include a scheduling arrangement to confirm that approved program changes are in fact carried out in accordance with the approved time-table, or alternatively that changes in scheduling are brought to the attention of appropriate authorities without delay.

Once the defence program is set out in detail and is approved by the minister, it would serve the following major purposes:

(*a*) As a management aid to the minister, deputy minister and chief of Defence staff. This will be of particular value for purposes of

program reviews, such as at estimate time, and in examining new defence proposals which can be conveniently assessed in relation to the over-all defence program.

(*b*) It will provide defence planners with an agreed frame of reference.

(*c*) It will serve as a starting point for preparation of the budget.

(*d*) It will be a useful aid for assistant deputy ministers and their staffs in assessing proposals for procurement of capital equipment, new construction and in manpower questions.

(*e*) It will be a departure point for cost effectiveness studies by operational research personnel.

(*f*) It will provide an objective means of reflecting the effects of budgetary changes or other decisions which may be made from time to time respecting procurement of equipment, manpower ceillings, etc. Without a detailed long term program, the full implications of such decisions are sometimes not brought to attention or followed through adequately.

(*g*) It will enable program changes to be evaluated in the context of the over-all programs and according to a uniform procedure.

It should be added that the defence programming system will not of itself affect the form or presentation of the regular departmental estimates. The system is perfectly compatible with changes in the form of estimates, such as the introduction of program budgeting, but is of itself an internal management system to assist the minister and the department in program formulation.

In conclusion I believe that the changes proposed in Bill C-90 in the military organization will enhance the ability of the civil staffs to carry out their control and staff management functions. The intimate working relationships between the civil and military staffs that are essential to good management in the defence department will be more readily achieved. Many of the barriers associated with the present structure to sensible organization of resources that cut across service ties will be removed. The appropriate assignment of responsibility and authority will be easier to accomplish than it has been. In short there should be an improved output in terms of military forces for the resources applied than would otherwise be the case. This is the objective of management, common to both the civil and military staffs.

Thank you, Mr. Chairman.

The CHAIRMAN: Thank you, Mr. Armstrong.

Before we proceed with the questioning there is one matter to be dealt with. The chart used in Mr. Armstrong's discourse will be printed in the evidence where he first makes reference to it.

The first questioner I have on my list is Mr. MacLean.

Mr. MACLEAN: I have just a general question or two, Mr. Chairman.

The National Defence Act is a fairly brief outline which confers powers to be made by regulation, and by reading the act alone one cannot have a very clear indication of what can be the organization of the Department of National Defence. The wide powers can vary the organization by regulation. I am wondering what changes are contemplated in the way of amalgamation of services within the three services. Mention was made of the fact that the medical services have been amalgamated, and I am wondering what other changes are contemplated along that line as a result of this amendment to the act or in addition to this amendment to the act. Is it contemplated that there will be a common pay service, for example, for all three services?

Mr. ARMSTRONG: Mr. MacLean, as I think has been said, the first task is to reorganize national defence headquarters. The detailed question of which

organizations will be brought together really has not yet been tackled. However, I would expect—and confidently expect—that pay services and common functions of that kind would in fact be brought together. I do not think there is really any question about this, ultimately.

Mr. MacLean: Leading from that, I recall that until 1940 or 1941 the army provided the pay services and the medical services for the air force, for example. When these functions are amalgamated is it proposed to give the responsibility of a function to a service for all three services or is it contemplated there will be a pool of all three services in each one of these functions?

Mr. Armstrong: I would think undoubtedly it would be a pool. I think it is inevitable that there must be a pool.

Mr. MacLean: Yes, that would be my supposition also.

As time goes by, is it contemplated that the number of personnel from each of the services will be kept roughly in the same proportion, or is it contemplated that there would be a move towards a predominance of personnel from one service in each of these functions as attrition takes care of the personnel presently existing in all three services?

Mr. Armstrong: Without setting any really hard rule in this respect, certainly where services are brought together and it is a group of people from three services, one would hope that the proportions would be reasonably maintained.

Mr. MacLean: Would the witness care to give some indication of what services might be amalgamated in this way—or just some indication of the present thinking? I know it has not gone very far and maybe it is an unfair question at this point.

Mr. Armstrong: We really have not gone very far in this. I can name a few that inevitably will be amalgamated. You mentioned pay services; and I suppose, ultimately, our security services will be brought together. It seems to me that perhaps the major area in which we would hope to achieve some substantial improvement in terms of cost for the job that has to be done would be in logistic services. Another example, I think, is that of bringing together construction services. All of these, I believe, ultimately—although there are many things one has to do to make them function properly—will result in very considerable savings.

Mr. MacLean: That is all I have to ask.

The Chairman: Mr. Winch.

Mr. Winch: Mr. Chairman, I have three questions. I think you have in part answered the first one. I refer to the chart. From here I can see nothing but a blur under "Deputy Minister". I was wondering whether a photostatic copy can be produced in addition to copy presented here, as has been done previously. I have found the practice of including a photostatic copy in the proceedings most useful.

Mr. Armstrong: I do not have one with me, but I would be very glad to provide one.

Mr. Winch: My second question is this. The deputy minister made a comment which I found most interesting. He referred to what he called a "mark paper". How do you spell "mark" there?

Mr. Armstrong: Mark—m.a.r.k.

Mr. Winch: A mark paper? If I have understood correctly, the mark paper is a document which outlines not only the provisional estimates for the following year but—and this intrigued me—a projection of an approximation of four years. Am I correct?

Mr. ARMSTRONG: You are right.

Mr. WINCH: I would like to ask if it is possible, for the information of the committee and for better understanding by the committee, for a sample of a mark paper to be produced, first for an estimate of a year and then for a projected four years. Is it permissible for that to be given to us?

Mr. ARMSTRONG: This particular document is an internal document for management purposes within the department, and it is classified.

Mr. WINCH: Is it possible, however, to have some kind of breakdown so we may obtain a more particularized understanding of estimates and a projection for four years? That is my interest. Is it possible to present to us the real meaning of this mark paper without providing us with something that is classified?

Mr. ARMSTRONG: This is really a question you should direct to the minister, but might I say this at the moment, with the development of new policies announced in the white paper, with the reorganization and so on, we are in the process only now of producing a version of the mark document to serve for this year. We do not actually have that produced right now.

Mr. WINCH: Have they been in the past?

Mr. ARMSTRONG: We have had one for several years.

Mr. WINCH: Is there any way whatsoever for this committee to get a more detailed understanding of it? I am particularly interested in it. You not only get the estimates for the year ahead but also a projection for four years ahead. The information given this committee on more than one occasion has been that there has not been a correct projection. Is it possible to get in any way whatsoever, without breaking classified information, a clear understanding of what is meant by a mark paper and how it has worked in the past?

Mr. ARMSTRONG: I think I can give you a clear understanding of what it comprises if you do not ask me to tell you what is in it.

Mr. WINCH: I am not quite certain whether I like that answer. I think all members of the committee know exactly what I am driving at now. You are now saying that there has been for a year a mark paper which not only gives the estimate for the next year but also a projection of the next four years.

Mr. ARMSTRONG: That is right.

Mr. SMITH: It is what they hope to get.

Mr. ARMSTRONG: This is a good comment.

Mr. WINCH: Does that include planning of production equipment?

Mr. ARMSTRONG: I can explain it very briefly. In the past it has been produced and analysed by each service, the navy, the army and the air force. Each service has been broken down into perhaps half a dozen of the major functions in which it is involved such as in the case of the navy, its contributions to SACLANT, in the case of the R.C.A.F. air defence in Canada, and so on. Projections are made of the total personnel who would be employed in these various functions in the service. A general projection is made of the possible operating costs without going into detail in this respect, and then each service lists what it anticipates would be required in the way of capital acquisitions, resulting in a total for the service which, when all is added together and the general departmental elements are put in, gives a projection over a period of four years of the probable requirements for defence.

Now, as I say, this is an internal document which essentially becomes a basic working paper for eventually resolving the problems associated with a final defence budget. It does not constitute at that point—perhaps I should say at any point—what could be regarded as an accepted and total government

policy over a period of years, but for the defence department purposes it gives us a base from which to work.

Mr. WINCH: Mr. Chairman, I would like to ask the deputy minister whether there is any possibility of getting something more detailed.

At the same time and on the same question, I would like to ask the deputy minister the following question. In view of what the deputy minister just said, that for several years they had this mark paper which deals with the estimates for the next year and a projection for the next four years, is he in a position now to tell us that he had a projection on the mark paper for four years on the Avro Arrow and the Bobcat?

Mr. ARMSTRONG: Yes. It would have been included in it. I am not suggesting that the figures there were necessarily right.

Mr. WINCH: But you did have, on your mark paper, the projection four years ahead on the Avro Arrow and on the Bobcat?

Mr. ARMSTRONG: Yes, I think we did. Mind you, I would add this qualification, and I think you are all familiar with it because the story has been told many times, that the figures on the Avro Arrow did change very substantially from year to year.

Mr. WINCH: But you had a four year projection every time you got your mark paper every year?

Mr. ARMSTRONG: Yes.

Mr. WINCH: Does that apply to the Bobcat also?

Mr. ARMSTRONG: I would think it did. I do not recall the Bobcat being there specifically but I would say it was there.

Mr. WINCH: We will come back to that afterwards.

I have one further question, Mr. Chairman. If my understanding is correct, in one of the policy views expressed by the minister on this new approach to the armed services' integration, he has said time and again that it will give greater civilian control. I know the deputy minister must have been in very close co-operation and collaboration on this matter. Is the deputy minister in a position now to tell us what is his understanding of the meaning of greater civilian control as the new government policy is proceeded with in regard to integration of the armed services?

Mr. ARMSTRONG: Essentially it is this: As I explained in the statement I made, there are certain elements up here in the deputy minister's organization which—

Mr. WINCH: Does greater civilian control mean responsibility on your shoulders as the deputy minister, and if so what responsibility?

Mr. ARMSTRONG: I assume it does, in addition to responsibility on the minister, but I am there to assist him as the senior permanent civilian in the department, and I hope that I made it clear what I consider this to be, that the deputy minister has a responsibility to the minister for good management in the Department of National Defence. That includes the general control of the resources that are available to the department. Our objective in this, as it is I think in any area in defence or otherwise, is to achieve our assigned tasks as economically as we can do so.

Mr. WINCH: I hope the deputy minister understands I am not trying to put him on the spot.

Mr. ARMSTRONG: I am sure you are not.

Mr. WINCH: But I am interested in what is meant by this. In the new policy of integration, starting now at the top level, it has been stated that it

means greater civilian control. What do you understand by greater civilian control?

Mr. ARMSTRONG: Let me explain what I would say it means in the sense of the reorganization. First of all, I think I said that it eases the problem of the relationship in the department between the military and the civilian. Under this organization we will be able to establish, because of the parallel senior officers in defence staff—and there is only in this case one senior officer to deal with—a very close working relationship between our principal assistant deputy ministers and the principal military officers. Secondly, I think—and this I think is quite important—that with the single organization and the stated policy the defence council will in fact become what it has not been in practice in the past, a policy making body of the department, if you would like to call it that, in which all proposals that are going to that council, most of which will come initially and be developed by military staffs, will flow through, be reviewed by the civil staffs and, I hope, in the course of their development the civil staff and the military staff will have an interchange of views and eventually go to the defence council. This should ensure that in every case the civilian view is there for the consideration of the minister when policies are developed. Now, of course, this is possible under the present organization in the sense that one can do it; but it is a much more difficult thing to do under an organization that is established as it is now. And, I do believe that the simplicities that are introduced here in terms of civilian control will, in fact, make it much easier to exercise than it has been before.

Mr. WINCH: Mr. Chairman, I have one more question.

Do I understand from what the deputy minister has just said that he anticipates not only a greater civilian administration control but the possibility of policy influence? Am I interpreting your answer correctly?

Mr. ARMSTRONG: Of course, the deputy minister never has been completely remote from policy influence. I do not think there is a change here.

Mr. WINCH: In other words, civilian control, as we have been told, means administrative only?

Mr. ARMSTRONG: I do not think it means administrative only; what I said was that the deputy minister always has been concerned with policy in the department.

Mr. WINCH: What was the meaning of great civilian control? You have been a deputy minister for a long time now and I would like you to answer that question.

Mr. ARMSTRONG: I have been endeavouring to explain this in the sense of how it operates and how this new organization makes it possible for it perhaps to be more effective in terms of civilian control than it has been in the past.

The CHAIRMAN: Would you proceed now, Mr. MacRae.

Mr. MACRAE: Thank you, Mr. Chairman. First, I would like to ask you to consider a suggestion. The statement that was made by the deputy minister was an exceptionally good one; however, it was a lengthy statement and I wonder if in the future such statements might be made available in order that we will have them while the witness is reading. Also, it would be very helpful in putting questions after. I think it perhaps will be a week or two before this evidence will appear in our reports. Perhaps I could make that suggestion for the future.

Mr. Chairman, my first question has just been answered; I was interested in the civilian control of the military and I am willing to accept the answer that the deputy minister has given.

Now, in the discussion of the organization I did not notice that the deputy minister had given any duties for the associate deputy minister. Would the deputy minister be so kind at this time to tell us what have been the duties of the associate deputy minister up to this point and what are his expected duties under the new organization?

Mr. ARMSTRONG: The associate deputy minister, aside from being a general associate of the deputy minister, has been concerned in particular with the field of dependants' education. As you know, we do operate a rather extensive system of schooling for the youngsters of the service people overseas and also at the bases in Canada. He also has been concerned particularly in respect of pension plans. He is a member of the pension board. He has dealt in particular with a variety of problems that arise in the province of Quebec and French Canada. He also has supervised generally the policy in respect of entertainment arrangements in the department. There may be some other duties. Also, he is a member of the board in Oromocto.

Mr. MACRAE: Yes, I fully realize that.

Mr. WINCH: Perhaps Mr. MacRae might ask what you meant when you said that the associate deputy minister deals with a variety of problems that arise in the province of Quebec.

Mr. ARMSTRONG: Well, as you know, the associate deputy minister, Colonel Mathieu, is a French speaking Canadian as well as English speaking. He has dealt on my behalf in many cases with particular problems that arise in Quebec. He has not dealt with all of them; however, we do have a great many of them, you know, not that they are necessarily different in Quebec from other places. There are matters to look into in respect of relationships with municipalities, school boards and a great many other things.

Mr. MACRAE: I have one final question. Would the deputy minister advise if it is anticipated that the future organization will require more, less, or the same number of civilians at national defence headquarters? Really, that would be just a projection.

Mr. ARMSTRONG: Are you speaking of the future organization in toto?

Mr. MACRAE: No; I am speaking of the organization of national defence headquarters itself and I am referring to the civilian staff at this headquarters to run the forces of this country.

Mr. ARMSTRONG: Do you mean including the civilians employed with the services as well?

Mr. MACRAE: Yes.

Mr. ARMSTRONG: I do not know, frankly but, on the whole, I think it would be less.

The CHAIRMAN: Would you proceed with your questions now, Mr. Deachman?

Mr. DEACHMAN: Mr. Chairman, I would like to ask the deputy minister some questions relating to his remarks in respect of programming and, again, with regard to the question of the mark document, following along the line of questioning asked by Mr. Winch.

In preparing the mark document do I understand this is in reality just a simple matter of drawing up the estimates of the department, and it follows along very much the standard line of estimates which other departments use, and the term "mark document" really is not much different from whatever terms they may use, say, for the Department of Transport, when they are drawing up their document for estimates. Is that correct?

Mr. ARMSTRONG: Well, it probably is not. If I remember rightly, the origination of the term "mark" was that when this was first introduced it

went through a series of versions. I think we called the first one mark I and the second mark II and so on. It became known as a mark document. There is no significance of the name in that sense.

Mr. DEACHMAN: Then, really it is just a departmental estimate?

Mr. ARMSTRONG: Yes. It is the assembling of the material in a form that we believe has helped in the past to make decisions within the department.

Mr. DEACHMAN: And, this just follows the form of 22 standard objects or those regulations as laid down by treasury board?

Mr. ARMSTRONG: No. In the mark document we do not follow that form. But, of course, later on when the estimates are developed the material is put into that form.

Mr. DEACHMAN: It is put into the form of the 22 standard objects required for examination by parliament?

Mr. ARMSTRONG: Yes.

Mr. DEACHMAN: If it is put into that form later, then the form in which you examine it is rather by branches within the department and the different functions within the branches?

Mr. ARMSTRONG: Essentially its functions within the department and the headings are much more general than the great detail which the 22 objects of expenditure provide. As I mentioned, we deal with operating costs really in one line; we do not break them down into a great deal of detail in this document.

Mr. DEACHMAN: Do you find that the 22 standard objects which parliament uses for examining the estimates are useful to you?

Mr. ARMSTRONG: They are useful in some respects in that the material is analysed in a particular form, but it is not the form we really need it in for all management purposes.

Mr. DEACHMAN: If you were an outsider analysing what is going on in your department, would you reach for the 22 objects, or would you reach for some other form of analysis?

Mr. ARMSTRONG: I would reach for some other form for the particular purposes of departmental management.

Mr. DEACHMAN: That is to say, the standard objects system which parliament uses for the examination of estimates is not really a very good system for examining what goes on within a department. Is that right?

Mr. ARMSTRONG: No, I do not think it necessarily is.

Mr. DEACHMAN: I do not think it is either. I am glad you concur.

Mr. ARMSTRONG: Mind you, there are other purposes which it serves.

Mr. DEACHMAN: I understand that you are moving out of the system of analysis that you use in the mark paper now. In the new system you will be moving into a system of examination by programs and components of programs, and a study of ongoing programs.

Mr. ARMSTRONG: Yes. In a sense this is a development of the mark document. We will break down programs very similarly, I would think, at the outset, into headings which we have accepted in the mark document, and then break them down still further into details, subcomponents and elements which will get down to more detail than we have had in the past in respect of what comprises a program. Additionally—and I think this is the important thing—the object of this exercise is to end up with a program which is not going to be too detailed, but which will have in it enough detail that the minister, myself, or anyone else who wants to look at it will have

a reasonably good comprehension of what it is that makes up the defence department, and the costs involved.

If this thing is to work satisfactorily, it has to be kept current; it just will not work if you take a look at it maybe only once a year. You have to have something that is current, and in which changes are made periodically and developed to the point that it does in fact constitute a proper document for everyone in the department. This means developing the concept of the mark II document a good deal further than it ever has been developed.

Mr. DEACHMAN: When you use the word "program" in discussing components of the program and the breakdown of the program, and in discussing the evolution of the mark document, what exactly do you mean by program; are you speaking here, for instance, of our forces abroad as being a program; are you speaking of the whole field of logistics as being a program and the whole field of ancillary services as being a program? Would you give us an explanation of what a program is?

Mr. ARMSTRONG: It might be best if I give you an example of the document as it is now in its present form and as it is being developed. A major program would be your forces for SACEUR; this would be broken down into certain main components—the forces in Europe, army forces; the forces in Europe, air force forces; the forces in Canada that are earmarked for SACEUR; the forces in Canada that support the air division. For example, the operational training units that are directly there because of our maintenance of an air division in Europe, and they again would be broken down into certain subcomponents which would break out the operational forces and the static support forces behind it. The elements then would be broken out.

Mr. DEACHMAN: Who would you charge headquarters off to? Let us take weaponry, and so on; what charges will you put behind weaponry? In the cost of operating weapons will you charge off headquarters into that, into operation; or do you maintain headquarters separately?

Mr. ARMSTRONG: We would maintain headquarters, but not in weaponry. We would maintain a separate function for headquarters, unless you could specifically allocate it to a major program. The weaponry that is required, for example, by the brigade group in Europe would be assigned to the brigade group in Europe.

Mr. DEACHMAN: As this program develops, do you anticipate that at least the broad figures of these programs could be made available for parliament? I realize you have your problems in respect of internal documentation and the very elaborate breakdowns you must follow for your purposes; but do you see anything that would stand in the way of parliament, let us say, having the broadest figures with relation to the programs for examination rather than the 22 standard objects that we get now?

Mr. ARMSTRONG: I think obviously this is a policy matter for the government to decide. My experience would indicate there always are some difficulties in projecting figures in a public sense over too long a period in the future; there always are uncertainties.

Mr. DEACHMAN: I realize that.

The CHAIRMAN: Mr. Deachman, if I might interject, you are straying a little away from Bill No. C-90 and we do have three other members who wish to ask questions.

Mr. DEACHMAN: I will rest my questions at this point. Thank you very much, Mr. Chairman.

Mr. TEMPLE: Many of my questions have been answered, with the exception of one or two. I have two questions dealing with the new detailed presentation

of long range programs which would be updated at intervals—and I stress programs. With these new detailed programs, will there be one, say, presented for the air force, one for the navy, and one for the army, or will they be integrated?

Mr. ARMSTRONG: These programs will be integrated and they will be worked out by the defence staff.

Mr. TEMPLE: Will these new detailed long range programs go beyond the length of the previous mark programs of four years, and if so, are you at liberty to say how much further?

Mr. ARMSTRONG: Initially I think we would start them out on five years; this is a practical consideration. I think it is useful to go a little further, but it becomes difficult to predict with any degree of certainty when you get too far afield.

Mr. TEMPLE: Have you in mind what the optimum might be?

Mr. ARMSTRONG: I think if you could manage it—and perhaps we will eventually try to do this—you might get perhaps seven or eight years.

Mr. WINCH: Would Mr. Temple please now ask—I hope he will—does a project of four or five years on a mark paper mean a commitment of future years' estimates?

Mr. ARMSTRONG: Not necessarily. When we go to parliament and when the government presents its estimates, there is a particular wording in the defence vote, as I am sure you know, which refers to commitments. Those are commitments in the total sum; the estimated total commitments that will be entered into in that particular year. They do not constitute all the commitments to be undertaken over a period of five years.

Mr. WINCH: I wish Mr. Temple would follow this up.

The CHAIRMAN: Perhaps we will be able to get back to you, Mr. Winch, and you could finish this off.

Are you finished Mr. Temple?

Mr. TEMPLE: Yes.

The CHAIRMAN: Mr. Smith.

Mr. SMITH: Starting at the bottom of your organization chart with the assistant deputy minister requirements and works, it seems that a lot of these functions are now performed within the Department of Defence Production. What consideration has been given to the amalgamation of similar functions within the two departments?

Mr. ARMSTRONG: With respect to the assistant deputy minister of works, as you will probably recall, the Glassco commission did recommend that Defence Construction Limited be moved over to our department. That would put the two things together. This is now under study, but a final decision has not been taken. As to the assistant deputy minister of requirements, of course the contracting for the department is done by the Department of Defence Production. I am not aware of any proposal at this moment to change it.

Mr. SMITH: Is there not going to be an overlapping, for example, in ship building requirements, directly in Mr. Rutledge's job with some of the types that are involved?

Mr. ARMSTRONG: We develop the specifications and tell the department what we would like to buy. Inevitably the man who makes the contract has to develop a pretty thorough knowledge of these things before he makes the contract. It could be argued that there is some overlapping. Other people would not agree with me that there is, but it is conceivable that there is.

Mr. SMITH: Does it not follow through that in many of these things, for instance, in the general purchasing branch, clothing, textiles and so on, that there is going to be an overlapping of functions?

Mr. ARMSTRONG: There will be no more overlapping of functions than there has been in the past.

Mr. SMITH: But there will not be any less?

Mr. ARMSTRONG: There will not be any less.

Mr. SMITH: It makes me somewhat sceptical to think that maybe Mr. Parkinson will win this reorganization after all.

Mr. ARMSTRONG: It does not have any particular bearing on what we are doing in the Department of National Defence, to reorganize and to do these things with fewer people.

Mr. SMITH: But it will have in respect of which pocket you pay it out of in the end?

Mr. ARMSTRONG: It is a rather complicated subject in the sense that the Department of Defence Production does have somewhat wider responsibilities than that of simply buying for the Department of National Defence. You must look at the whole context of their operations.

Mr. SMITH: Yes, I know. In many lines and branches they do not have a much wider responsibility, for instance, in the purchase of aircraft.

Mr. ARMSTRONG: Well, we are the main purchasers of aircraft.

Mr. SMITH: And in the purchase of ships, and having regard to what the Department of Transport does?

Mr. ARMSTRONG: Yes, considerably.

Mr. SMITH: And in clothing, textiles, for example, how much wider responsibility do they have?

Mr. ARMSTRONG: Well, they are in the process of taking over responsibility for buying in this field of common user items for other government departments as well as for those of national defence.

Mr. SMITH: Now, let us move to the assistant deputy minister personnel. Will he have charge of the hiring and provision requirements of civilian personnel within the whole defence structure?

Mr. ARMSTRONG: He will be responsible for the civilian personnel in the defence department, but hiring in most cases is done under the Civil Service Act.

Mr. SMITH: Yes, I realize that, but shall we continue to have under the new director of civilian personnel a director of civilian personnel army, a director of civilian personnel air force, and a director of civilian personnel navy? Shall we continue to have these?

Mr. ARMSTRONG: We definitely would not have them, no. There will be a director of civilian personnel for the services as a whole.

Mr. SMITH: And in an army camp such as Camp Borden, would we continue to have a civilian personnel officer air force, and a civilian personnel officer army, with their separate little empires?

Mr. ARMSTRONG: You are getting into specifics now. I would expect or rather hope in the long run that we would have one civilian personnel officer.

Mr. SMITH: I do not want to get down to specifics, but the moment you get down to a single specific you make the problem a little clearer. You say you hope there would be a single civilian personnel authority?

Mr. ARMSTRONG: Yes.

Mr. SMITH: And they would hire for all the branches within the limits of the Civil Service Act?

Mr. ARMSTRONG: Subject to the terms that you use, they do not really hire.

Mr. SMITH: Well, let us say that they administer?

Mr. ARMSTRONG: They would administer.

Mr. SMITH: I used the word hiring loosely.

Mr. ARMSTRONG: Yes.

Mr. SMITH: Now you mentioned defence programming, and you went into it with Mr. Deachman, I thought, substantially. As to planned forward programming, in the United States department of defence secretariat they have a branch within their broad program planning called I think "systems analysis", which is largely a civilian analysis of the proposed programs put forward by the military branches. Is there going to be a counterpart to that under the new organization of the Department of National Defence?

Mr. ARMSTRONG: We have not actually made a decision on this. There are system analysis branches in the services now, and they are mainly staffed and supplied by the defence research board. We will certainly have a system of some kind for such system analysis as we think it necessary to make. But we have not decided exactly where to put it, or how to have it staffed.

I have had a little concern, myself, quite frankly, that it would be difficult with the volume of work that might be involved in this to try to set up that kind of very highly qualified staff, and in a very small group as in the deputy minister's office. It is perhaps desirable to have such a service provided through the defence research board.

Mr. SMITH: Has any consideration been given to the appointment of a scientist associate deputy minister whose charge would be to oversee these proposed programs, and who could call upon various civilian resources on a temporary basis, and who might do this systems analysis or program analysis outside of the present orbit of the armed services?

Mr. ARMSTRONG: Well, we have not thought in terms of setting up an assistant deputy minister for this purpose, in terms of giving scientific advice to the department. We would continue to rely on the chairman of the defence research board.

I think the thing you have to bear in mind in this case is the fact that the United States after all is working on systems development that encompass strategy over the whole world and these problems are not quite as extensive in this country.

Mr. SMITH: Our resources to pay for them are not as extensive. The one thing that strikes me about the evidence we have heard from witnesses in the past is that even though a person may be from the defence research board he intents to become an advocate rather than an analyst of the program particularly if the person has developed the program, and then it is more difficult for that individual to look at it with a dispassionate view.

Mr. ARMSTRONG: I suppose it is inevitably human nature that one tends to be an advocate of the thing one really believes in, and part of the function of the civilian review is, to throw in the other side of the argument. We would attempt to design our organization to give a reasonable assurance that that was done.

Mr. SMITH: It would seem to me desirable that we have someone or somebody no matter how small, within the defence department, who would not have had any responsibility for the development, to analyse programs.

Mr. ARMSTRONG: We have, as you probably cannot read from where you are, put under the assistant deputy minister, requirements, responsibility for doing this.

Mr. SMITH: I think that is too low down the scale.

Mr. ARMSTRONG: He is not very low down. He is an assistant deputy minister.

Mr. SMITH: Yes, but he has requirements and he also has responsibility for programming as well as development.

Mr. ARMSTRONG: He is essentially concerned with requirements on the equipment side, technical matters and logistics. I think you have to look at development from the point of view of your requirements at least in part. Where are you going? If you are going to spend money on development what is the ultimate product you get, what is it going to cost you and where are you going to use it? So you do have to put these things together.

Mr. SMITH: You then must have someone to audit him in a scientific sense?

Mr. ARMSTRONG: Yes, that is right.

Mr. SMITH: Thank you.

The CHAIRMAN: Mr. Harkness?

Mr. HARKNESS: Mr. Armstrong you indicated that the organization on the civilian side is remaining essentially the same and you also pointed out that the new proposed organization on the military side will parallel this fairly closely, each being in four streams. My first question is, is the proposed new military organization to a considerable extent based on the organization which has been existent for a long time on the civilian side?

Mr. ARMSTRONG: No it is not. The military organization was based on the considerations that were thought appropriate for a military organization. I am not sure but I believe the minister explained that he did set up some working groups to work on this. We set up a working group to look at the deputy minister's side of the business and the two of them did work together to some degree. When I said that this is essentially the same, there are a few changes that we are making to achieve the objective that I stated, of having a pretty direct relationship between our assistant deputy minister and the people on the military side.

For example, the assistant deputy minister of personnel in the past has not dealt with policy questions affecting military personnel: pay and allowances, conditions of service, finances and all the rest of it. That has been over on the assistant deputy minister of finance's side. We are moving that over so that the assistant deputy minister of personnel will in fact have as part of his responsibility the things that are also encompassed by and large in the chief of military personnel's side. So there will be a very direct and close link with him.

Mr. HARKNESS: However, that is just a minor change as between two assistant deputy ministers?

Mr. ARMSTRONG: That is a change, yes. I think I can say quite definitely that the military organization was not based on this.

Mr. HARKNESS: There is such a striking parallel it leads one to wonder how much effect that organization might have had on the new organization which has been brought forward for the military side.

Mr. ARMSTRONG: It had not occurred to me in the past but that might be so. This is definitely not how the military organization came about, there is no question about that.

Mr. HARKNESS: There was some talk about the mark document. Would you agree that this has been, to a large extent, what you might call a planning and co-ordinating device?

Mr. ARMSTRONG: Yes. It was set up for that purpose.

Mr. HARKNESS: I thought I should bring this point out because I think there perhaps is some confusion or ambiguity in the minds of some members regarding this mark document. I think there is no doubt that it was a planning and co-ordinating device to a very large extent.

In that connection would you say that one of the reasons that such a document has been essential is that when you start a program of any sort, particularly a re-equipment program, whatever you spend in the initial year inevitably carries with it commitments in succeeding years?

Mr. ARMSTRONG: Yes, I agree with that.

Mr. WINCH: I am glad you asked that question. That is what I have been trying to find out.

Mr. HARKNESS: This is one of the reasons why you must have a document of this sort, in order to give some indication not only within the department, but to the Department of Finance and to the government as a whole regarding what the probable expenditures are likely to be for a particular equipment program in years ahead.

Mr. ARMSTRONG: Yes, I agree completely. That is essential.

Mr. HARKNESS: One of the reasons why this is essentially there is that the decision in regard to starting any one of these major equipment programs is essentially a political decision?

Mr. ARMSTRONG: Yes, I agree with that. It is essentially a policy decision.

Mr. HARKNESS: That decision is really taken by the cabinet or government as a whole rather than by a department?

Mr. ARMSTRONG: Yes.

Mr. HARKNESS: Mr. Chairman, I am already overdue and I see that our time for this meeting is also overdue, so I think I will quit at this point.

Mr. SMITH: Mr. Chairman, in respect of the matter of a quorum, I should like to point out that six of the eight Conservative members were present here and there are only seven of them in Ottawa this afternoon.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH: I would not have pointed that out except for the actions of Mr. Matheson who got out in a hurry when he already knew that Mr. Nielsen wanted to leave.

The CHAIRMAN: Before the committee adjourns I should like to remind you that our next meeting is at eleven o'clock tomorrow morning. Mr. Malone will be our witness. The meeting will not be in this room but in Room 371, west block, at eleven o'clock tomorrow morning.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, JUNE 4, 1964

Bill C-90, An Act to amend the National Defence Act.

WITNESS:

Brigadier Richard S. Malone, Publisher, Winnipeg, Manitoba.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20925—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Harkness,
Langlois,
Laniel
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
Nielsen,
Pilon,
Smith,
Temple,
Winch—(24).

Quorum 13.

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, June 4, 1964.
(7)

The Special Committee on Defence met at 11.35 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Deachman, Fane, Granger, Groos, Hahn, Harkness, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Matheson, Nielsen, Pilon, Temple, Winch (15).

In attendance: Brigadier Richard S. Malone, Publisher, of Winnipeg, Manitoba.

The Committee continued its consideration of Bill C-90, An Act to amend the National Defence Act.

Brigadier Malone was introduced and requested to present to the Committee his views on Bill C-90.

During his statement the witness tabled four charts respecting the proposed organization of the Department of National Defence and the Defence Services.

Agreed,—That these charts be inserted in the Committee's record at the appropriate places.

Mr. Malone was questioned on his statement; he was thanked for his testimony and permitted to retire.

At 1.00 p.m. the Committee adjourned until 11.00 a.m. Tuesday, June 9, 1964.

E. W. Innes,
Clerk of the Committee.

20925—1½

EVIDENCE

THURSDAY, June 4, 1964.

The CHAIRMAN: Gentlemen, we have a quorum. I would ask you to speak quite loudly, if you would, because the microphones overhead are not too effective.

We continue with Bill No. C-90, Clause 1.

Our witness this morning is Richard S. Malone, publisher of the Winnipeg *Free Press.*

Mr. Malone will make a statement and I would ask him to open his remarks by giving us a little of his background.

Mr. RICHARD S. MALONE (*Publisher, Winnipeg Free Press; Executive Vice President, Vancouver Sun, Vice President and General Manager, F. P. Publications Limited*): Mr. Chairman and hon. members, I did a lot of wandering around during the war but, may I say, I do not propose to pose as an expert in my appearance before you.

My military experience commenced about 1923, when I joined the Queen's Own Rifles in Toronto. I served a long time in the militia and then at the outbreak of war I was called out with the P.P.C.L.I. In 1940, I was seconded for duty as special assistant to the then minister of defence, Colonel J. L. Ralston. Then, as military secretary, I accompanied the minister to London for a discussion with the British chief at that time, Mr. Churchill, in respect of mobilization plans. Following that I organized the army directorate of public relations. Then I attended staff college and was posted overseas to the fifth armoured division, then went as a brigade major in the first division. I participated in the Sicily, Italy and Normandy landings and the airborne landing in Japan. I was personal liaison officer for Field Marshal Montgomery in the invasion of Italy, A.D.P.R. for 21 army group and performed liaison duties with Field Marshal Montgomery in the Normandy invasion. Toward the end of the war I headed a Canadian mission to General MacArthur's headquarters at Okinawa and the Phillipines. I retired from the Canadian army with the rank of brigadier. I think that is all I have to say at this time, Mr. Chairman.

Mr. MATHESON: That is a great contribution.

Mr. MALONE: I may add I was called back in the army at the time of the Winnipeg flood in 1950 to handle the planning in that connection. Would you like me to carry on?

The CHAIRMAN: Yes, if you would.

Mr. MALONE: I have not prepared a brief. I have just returned from England and I did not have time to prepare a brief, with footnotes and references. But, I have a statement here and, if you will bear with me, I will deal with this. I hope my comments may be of some assistance to you.

In pioneering this development of unification of the services undoubtedly we may make some mistakes and there is certain to be a large element of trial and error in it as we feel our way. However, I am very much concerned that we may make one primary mistake and, if we make a mistake at the start of this thing we could do very great damage to this project which you have in mind, which could, in my view, jeopardize the entire scheme and, indeed, it

could produce very disastrous results which might not be apparent for several years. The ultimate cost to the nation, could be very great indeed.

I refer here to the commander in chief or "supremo" principle which seems to be inherent in the proposed new plan or organization which you have before you. Now, there is provision for a so-called defence council in your organization, but this appears to me to be purely for the purpose of consultation or advice rather than the exercise of any direct responsibilities or real authority. To establish anything in the nature of a commander in chief, regardless of his title, would be in my opinion a fatal error. As in the new British system, the defence council I feel should come immediately under the minister. In this connection may I quote from an official release on this point issued in London. I will read you the one paragraph. Referring to the setting up of a defence council in England it states: "The council will exercise the powers of command and administrative control". It could not be clearer than that. That is what they are charged with. In the present plan, this is not the statutory responsibility of your board or council; this is a consultive board, as I read it.

It may be argued that the proposed Canadian organization does not embrace the commander in chief principle. May I suggest that the members of this committee, however, ask themselves the following questions.

Will the proposed chief of defence staff be accepting orders, directions and decisions from the defence council or will he in fact be imposing his decisions on this council?

Will other members of the defence council be in a position to question him or over-rule him or veto his decisions?

Will other members of the defence council be junior and subordinate to him?

Will not the chief of defence staff in effect determine the actual duties, responsibilities and even the appointments and promotions of other members of the defence council?

Will the chief of defence staff be the chief adviser to the minister? Officially will other members of the defence council have to speak to the minister through him?

In fact, will the actual authority for carrying out the government's policies, as directed by the minister, be vested in the council or in the chief of the defence staff?

Again, will the chief of the defence staff be in a position to reject the advice, even the majority advice, of the other chiefs in the services?

If these above factors exist, in my opinion it is inevitable that the chief of defence staff will gather about him either his friends, yes men or like thinking officers.

In that connection I might point out that when a new commander has taken over command of an army, a corps or division invariably he changes his staff. Quite often he gets rid of his G-1, chief of staff, or second in command simply for the reason that he wants someone to work with him who thinks the same way he does. This is a recognized thing. I think this is quite proper where a commander is in charge or a force in action. He must then be the supreme commander, but here where you are dealing with a government I do not think you can afford to have a new chief of staff appointed who is going to change the council to suit himself. This is where the great danger lies.

If the other chiefs on the council are not able to veto his decisions they will hardly risk opposing him either within or outside the council. In short we may be creating a "God" as I call it of all our defence services. Remember, we are not now considering in effect a commander in chief simply of the army, but of all three services, and any error by this one man could be threefold in consequence. This is far too much responsibility for any one person. If this is estab-

lished, such a system will ultimately fail, but perhaps not before great harm has resulted.

May I for a moment quote from your Bill No. C-90. I am quite sure you are more familiar with it than I am, but if you run through it very quickly you will see the authorities given to the commander in chief. It starts out by stating:

> The Governor in Council may appoint an officer to be the chief of the defence staff, who shall hold such rank as the Governor in Council may prescribe and who shall, subject to the regulations and under the direction of the minister, be charged with the control and administration of the Canadian forces.

This is the process of the government of Canada, but right through the bill you will see this same principle recognized in respect of non-public property of a unit and other such things. The bill continues, stating that things come under the general chief of staff and are authorized by him, and there is page after page of this type of authority. All the conditions of duties and responsibilities are to be laid down by the chief of defence staff. In other words you are creating here in my opinion a commander in chief of the services.

If we do in fact establish a chief of staff with all the powers of a commander in chief, and the chief adviser to the minister, in my opinion this chief must either dominate his minister, destroy him or, in time, be destroyed himself by the minister. While the minister does represent the power of parliament it is difficult for him to ever reject the advice of a single professional adviser.

It is much like the relationship between a doctor and a patient. If the patient is not prepared to accept the advice of his professional adviser, the doctor, the doctor must resign or be fired from the case. There is no alternative.

As in the situation studied by Lord Esher in 1904, the committee found that the army's commander in chief carried a burden of responsibility far too heavy for one individual, and that he tended to rely for advice on others whose training and habits of thought were identical to his own. The secretary, or in Canada referred to as the minister, for his part, was a transient political figure obstensibly senior in authority but in fact almost totally dependant upon one man for advice. Unless he and the commander in chief happened to be men of rare congeniality one was bound to destroy or demoralize the other.

In our defence services this situation can be avoided if decisions and authority are based on a council with a majority deciding and with the minister or his deputy participating in decisions and answerable to parliament for these decisions. This system has been proven repeatedly but there have been many times when the principle has been forgotten with disastrous results.

May I go back briefly in history to illustrate this point. There were two major reforms in the British army in modern times. The first was the Carswell reforms about 1860. The second was the reform recommended by Lord Esher's committee and implemented by Lord Haldane.

I should like at this stage to suggest that the reformations you are about to bring into effect will be just as historical and perhaps even more historical if our plans proceed and prove effective.

Lord Esher's committee was established to investigate a series of costly mistakes made by the British army during the Boer war. This committee clearly established that the errors were directly attributable to the commander in chief principle. In contrast, it was pointed out that the British navy, directed by a board of admiralty, repeatedly proved to be the more sound system. As a result, the commander in chief principle in the British army was abandoned and the system of an army council or defence council has been adhered to in Britain right up to the present. The success of this system was so apparent that it has been closely followed by the Royal Air Force as well.

Even despite the safeguards against the creation of a commander in chief, difficulties have often arisen when any single commander through force of personality, public acclaim or reputation has been in a position to impose his sole will about the authority of army council or defence council. Our proposed system to my mind surely encourages this problem. One has only to study the early days of world war I to recognize that this was one of Britain's chief problems with Lord Kitchener. I should also state that in personal correspondence Lord Esher after his report was implemented said that in spite of these safeguards he was not sure that even they were enough. Owing to this one thing, even with statutory provisions, a commander through his popularity and prestige, which often developed to an overwhelming extent, the government itself were almost afraid to tackle him.

More recently, another example of this was the position of great authority achieved by General MacArthur during the Korean war, where his personal reputation and prestige allowed him to challenge even the authority of the United States President. The results were tragic. General MacArthur, one of the ablest commanders ever produced by the United States, had to be removed. No commander can be a law unto himself under our present system of democracy as we understand it.

Also important in the defence council system is the matter of civilian participation in the actual direction of the forces. The weaknesses of full military control of each service have been illustrated over and over again in other countries. Lloyd George in his war memoirs cites the German general staff which was supreme in military matters and powerful eough to ignore the advice of civil authorities. Germany lost whatever chance she might have had of achieving her objectives in the 1914-18 war by invading Belgium and, later on, by conducting an unrestricted U-boat campaign. The one brought Britain into the war and the other the United States. Both decisions were opposed by the German civil government, but the weight of the German military command was such that it simply over-ruled that advice.

A modified army council system rather than the commander in chief principle prevailed in Canada in the early part of the war. Unfortunately, this system started to break down again in the final months of the war.

I think it may be fairly suggested now that the reason why General Simmonds, the senior active Canadian officer at the time, for example, was not immediately brought back to Canada as chief of the general staff at the end of the war was the fear by the government of the day that he would prove too difficult and autocratic in this appointment. In my personal opinion, General Simmonds was unquestionably the ablest field commander produced by Canada during the war. Like all successful field commanders, however, he had been trained and grown to practise the principle that in action his decisions as commander and commands must be absolute. Indeed this must be the situation with a commander in charge of actual battles and campaigns. There must be a single voice of authority and it must be unquestioned while he holds command. If he fails to produce victories or carry out his duties, however, he is of course removed from command. This same situation and requirement, however, does not and should not exist in the relationships between the chief of the general staff, the chief of defence staff; as you are going to call him, and the minister or the cabinet.

Decisions made to implement the policy of the government should not be the matter of a moment's decision or the responsibility of one single person regardless of his ability, integrity or experience.

Shortly after world war II, in Canada, the army council system was entirely abandoned and we established a commander in chief in actual fact. This change was brought about around 1950. The powers then granted to the chief of the general staff in effect made him a commander in chief. If there remain any

doubts on this subject, may I quote from the official regulations. In the King's regulations and orders for the Canadian army, 1939, which were in effect throughout the war period, the individual duties of the staff and channels of communication were clearly defined. To illustrate this I will refer to the two books here which are the regulations and orders. I think all the amendments are up to date but perhaps my staff duties have not been carried out 100 per cent perfectly.

All the way through the 1950 edition you will see the authority set out for the chief of general staff. It suggests here that no portion of the army orders may be altered, but they may be altered on the authority of the chief of general staff with communication to higher authority and these shall be made through such channels of communications as the chief of general staff may prescribe. Nobody can approach the minister unless they accept what the chief of general staff says. This is the commander in chief; make no mistake about it. However, you can go through the book.

Then there is the question of the exercise of powers. The power and right is vested in any act or thing which, by Queen's regulations (army) is required or may be done by the chief of general staff. He can override even all these orders. Then one sees lower down:

> —the officer holding the senior appointment in each branch at army headquarters when acting within the scope of the duties assigned to him by the chief of the general staff;

Then the duties of these other officers are defined.

There is no sense whatever in imagining, therefore, that he has equal authority with them. He can change the job and make appointments.

In regard to orders:

> When they are designed to be reasonably permanent, detailed orders made by the chief of the general staff.

And I could go on for page after page illustrating this.

In dealing with control and administration we see the following:

> Unless the governor in council otherwise directs, all orders and instructions to the Canadian army that are required to give effect to the decisions and carry out the directions of the government of Canada or the minister, shall be issued by or through the chief of the general staff.

Duties of staff at headquarters:

> The duties of staffs and services at army headquarters, command and area headquarters shall be as prescribed by the chief of the general staff.

Do not fool yourselves that we do not have the commander in chief principle here in Canada; and this is reflected in your new program.

In contrast to that I would like to refer you to the previous King's regulations, the 1939 regulations. I do not want to read a great deal here for you, but the specific duties and to whom they are allocated are set out, and you will see that on page after page. Here they are: "Duties of deputy minister"; "Duties of Judge Advocate General"; "Duties of Adjutant General"; "Duties of Quartermaster General"; "Duties of Master General of Ordnance". The individual chiefs are specifically held responsible for duties, not the chief of general staff.

I do not want to dig up old bones, but I know how this was operated. One member of the army council was dealt with on this basis when certain things went wrong in the army. He was called in to account for the problem by the minister and he pointed out that this thing went wrong and that thing

went wrong, and mistakes do happen in the army. The minister said: "This didn't happen", and "That didn't happen", and so on. He then said to the member of the army council concerned, "By statute this is your responsibility. There is no sense in saying the chief of defence staff or the army council or someone else is responsible; this is your responsibility by statute." He had fallen down on his duties and he was removed. In the new system it is said that the chief of general staff "may decide", and this is far too vague.

In recent years I have been curious as to who in fact is charged with the responsibility for organization. I have not been able to find out. I have not been able to do a great deal of research on it, but a few years ago I telephoned to the minister's office at that time and said to the assistant, "Could you quote me the order in council showing who is charged with this job?" He said he would let me have it, but I have never received it to this day. My point is that it should not be vague and I hope in the new system it will be clearly defined that specific officers have specific responsibilities and that they answer to the defence council, not to one man.

> But it is in article 11.01 of the present Queen's Regulations and Orders that the C.G.S. has his most potent weapon for direct personal control of the army through the selection of officers for senior staff positions:
>
> "The promotion—

and note this—

> —of an officer to the rank of colonel or to any higher rank shall require the approval of the minister on the recommendation of the chief of the general staff".

He will move his friends around him; do not doubt that—and I would do the same thing. It is much easier to operate as commander in chief, but it does not necessarily mean that it is the best thing for the country.

It should be apparent from what I have said that, starting in about 1950, we had once more created a commander in chief in Canada. As I have stated, such a system is bound to fail and in my opinion it has repeatedly failed in recent years.

For confirmation of this you might recall the famous Currie report. Unnecessary mistakes have been made in our armed services due to the one-man command principle. As to the manner in which this system either destroys the minister or the commander in chief, I would give as an example the fact that although when General Simmonds was ultimately appointed chief of the general staff in Ottawa he was undoubtedly Canada's ablest officer at that time and was still a comparatively young man. Owing to the impossibility of his position, as in effect a commander in chief, in relation to his minister, the Hon. Ralph Campney, General Simmonds' services, I suggest, were lost to the country prematurely.

At the time the commander in chief principle was reinstated in the Canadian army, the opposition in the government at that time raised a very loud protest. A re-reading of *Hansard* of that time will reveal that although the principle itself was not too well understood by many members of parliament it was clearly recognized by General Pearkes, then military critic in the opposition. As recorded in *Hansard*, General Pearkes clearly forecast that this system would not work.

In the light of the opposition's remarks at that time, I have always been puzzled why the situation was not rectified when a change of government was effected and new ministers were appointed. The only reason I can think of is that the commander in chief principle was so well entrenched by that time that it was impossible even for the minister himself to challenge or change

this system. Believe me, the difficulty of changing and bucking the hierarchy in the army, once it is well established, is a very tough one.

Again, I must apologize that time has not allowed me to follow the deliberations of your committee in recent weeks. A few days ago I returned from England and I am not up to date, so I hope I will not be repeating some of the matters you have already dealt with. I have, however, brought with me a few charts showing the proposed organization, which I understand is presently before you, as well as a chart of the new organization in Britain. I have also been rash enough to draft very quickly a rough suggestion of my own to help to illustrate this commander in chief principle which I fear we may stray into. May I distribute copies?

The CHAIRMAN: Yes. If you have copies they can be distributed.

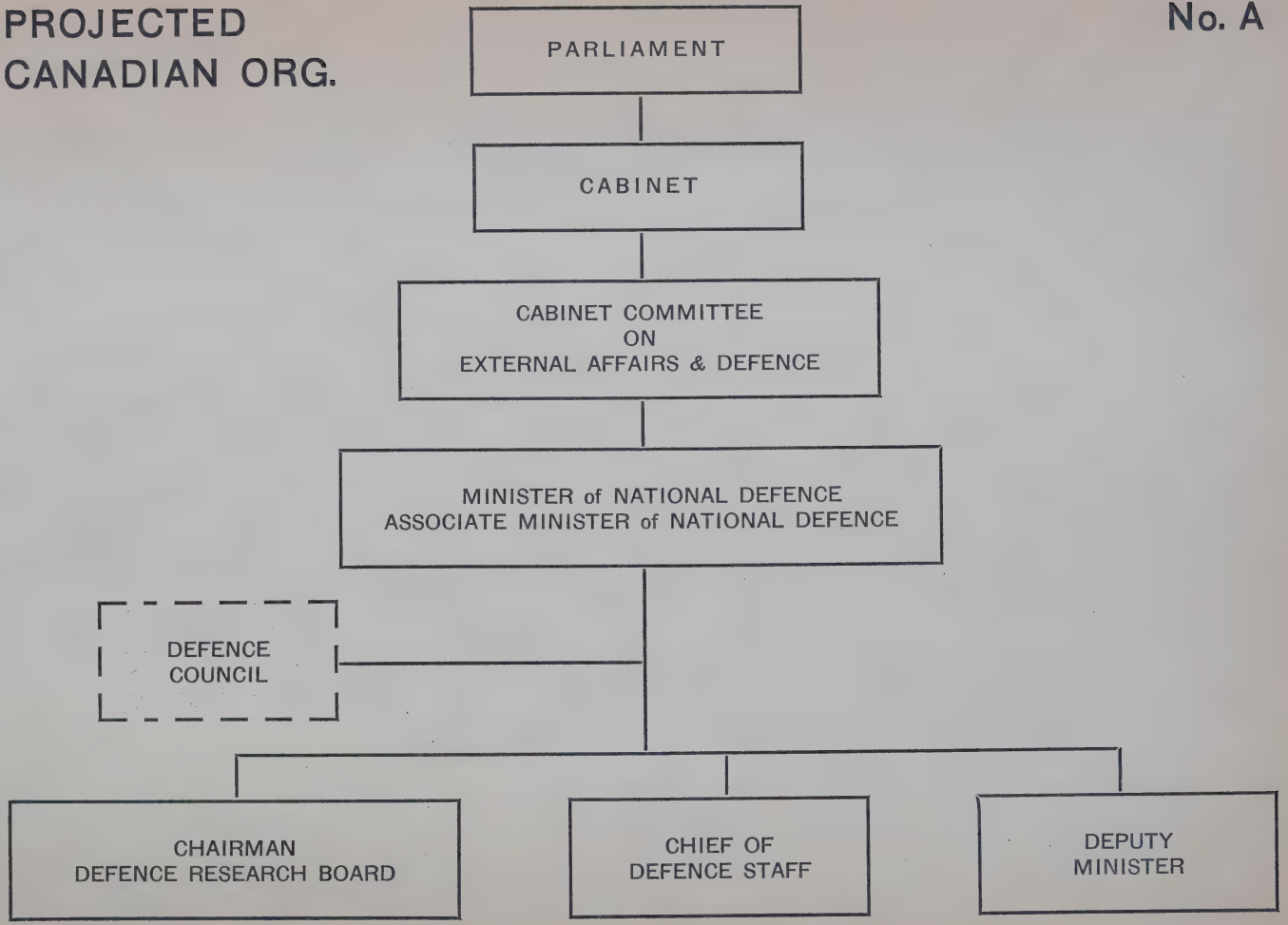
Is it your wish that the charts be incorporated into the proceedings?

Agreed.

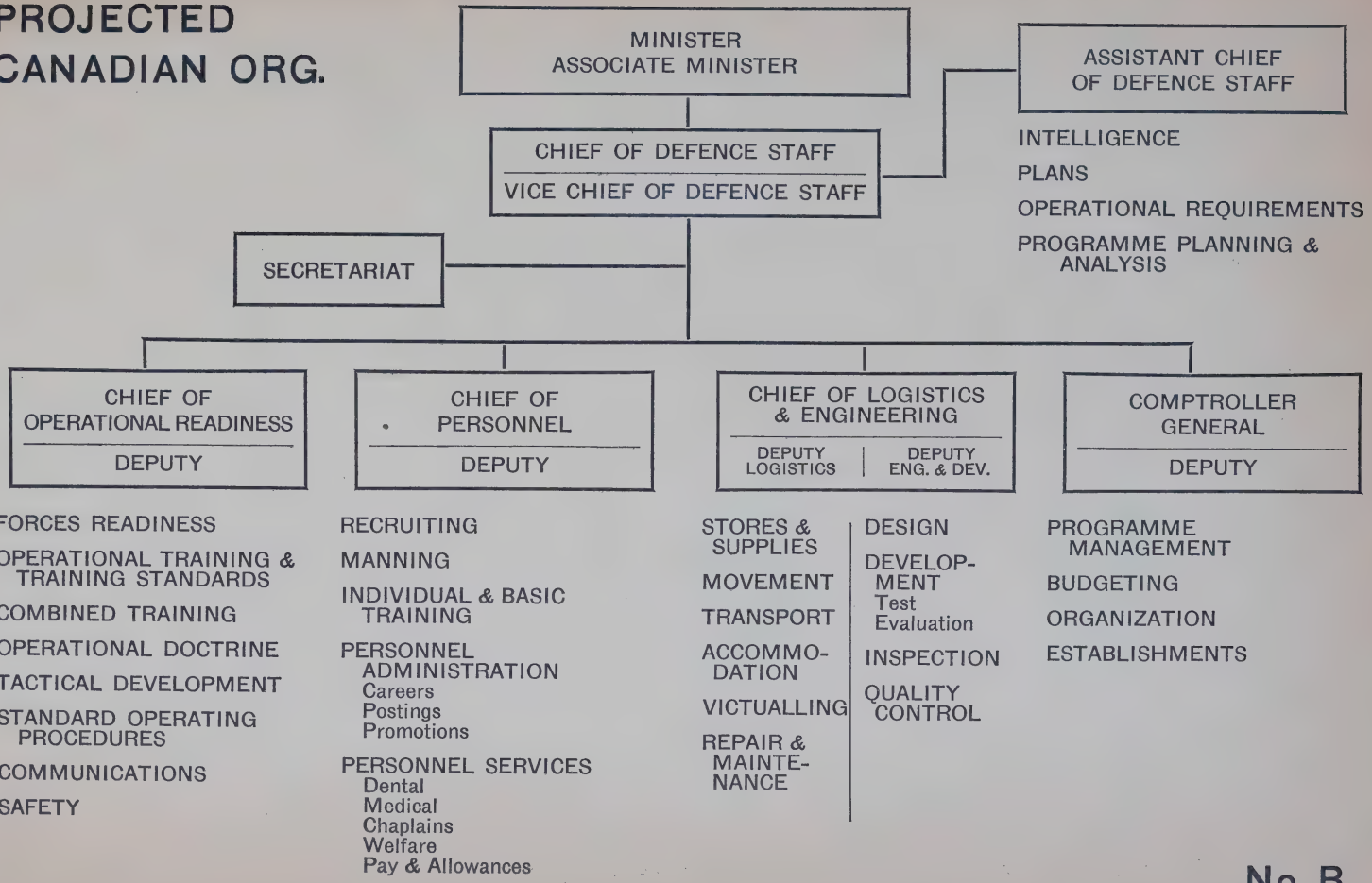
Mr. MALONE: The charts follow.

PROJECTED CANADIAN ORG.

No. A

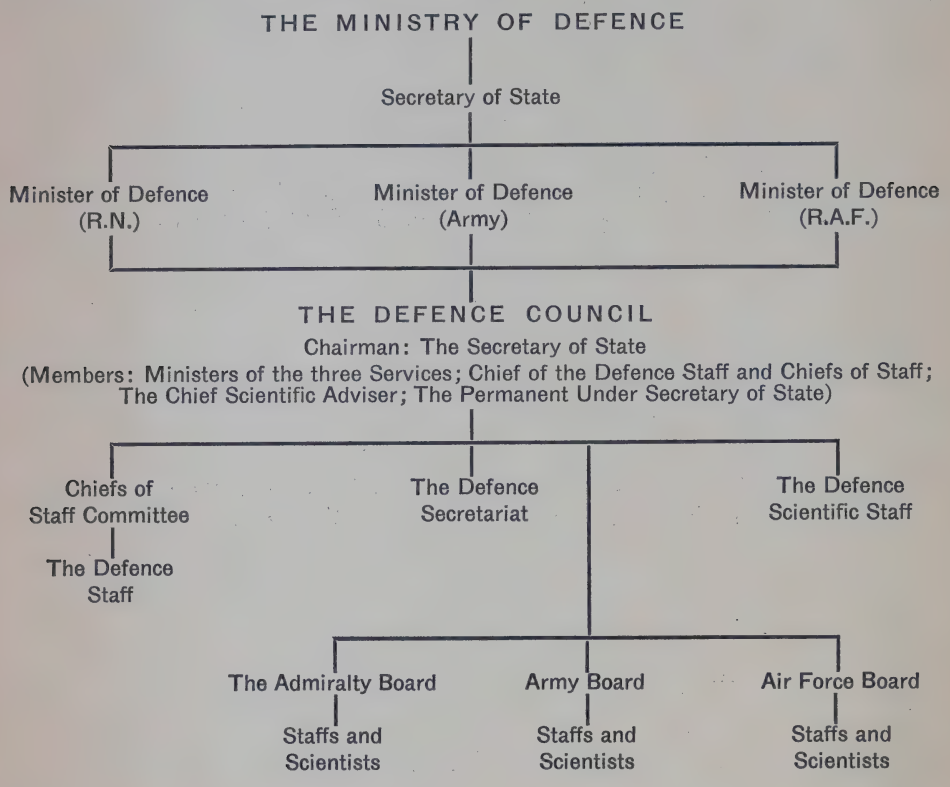


PROJECTED CANADIAN ORG.



No. B

NEW BRITISH ORGANIZATION No. C



NOTE:
All three Services under one Minister but not Unified.
Authority still exercised by either a Council—or in each Service by a Board not by a Single Man.

I will deal first with Charts "A" and "B". They simply show the organization which I believe is called for under your present bills. On "A" you will notice there is a defence council shown but that it is not in the line of direct command; it is an appended thing and, as I understand it, could be called together for consultation and advice but does not carry the authority nor does it issue orders in any direct chain of command from the minister.

Chart "B" shows how it is broken down from the chief of defence staff, after coming from the minister and associate minister, into various departments.

Chart "C" shows the new British organization.

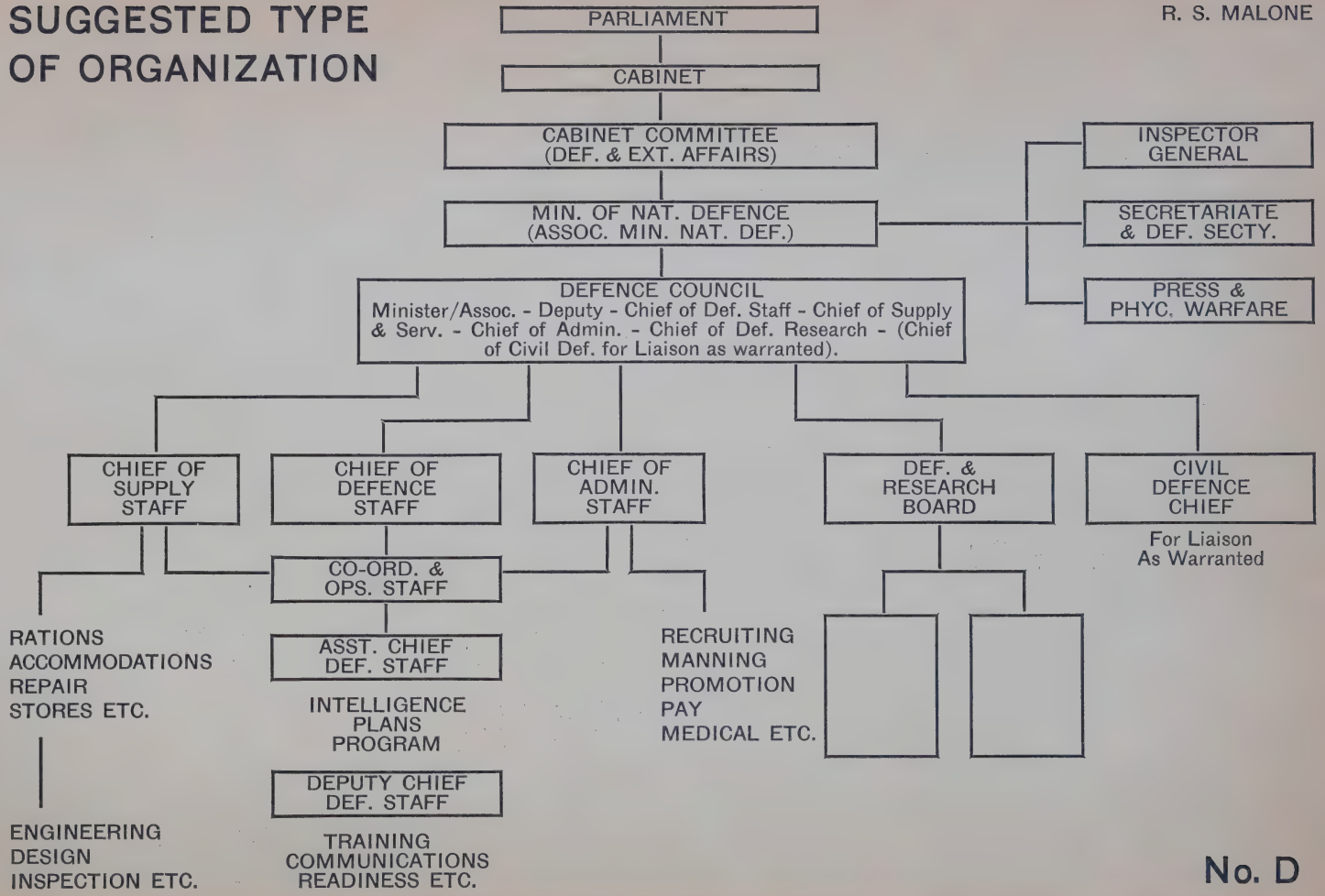
I would like to draw your attention to the fact that there they are not attempting to do what we are doing here. They are attempting to centralize the command structure only; they are not trying to unify the forces. In Britain three ministers are being maintained under a single secretary of state. Directly under the ministry level you will notice there is a defence council, not a chief of defence staff. The chairman of that council is the secretary of state himself. The secretary of state must participate; he must be part of the decisions; he cannot say, "The experts told me this"; he must be part of the decision and he must answer for it in parliament; and either he or his deputy must attend.

Then, they are going to have the members of the three services, but in your case you will not have the three services but you will have heads of branches, that is the G branch, the administrative branch and the supply branch—call it what you will, I prefer in my own chart to simply call them administration and supply as they are simpler this way.

Now then, the defence council breaks down into three services, in the case of the British plan, but it does not go to chief of staff, chief of air council, admiralty board, or anything; it goes to a board. At the bottom of the British chart you see the admiralty board, the army board and the air force board. In the old days it used to be called the army council, the air council and the board of admiralty. They are still maintaining that this board will have the authority, and not a single man.

Now we come to the fourth page of charts. This is the one I rushed out rather hastily yesterday and I will not guarantee it is expert but it does bring out the principle that I am trying to illustrate here.

SUGGESTED TYPE OF ORGANIZATION



No. D

I would suggest that directly under the minister there should be the defence council—composed of the minister, the associate minister, the deputy minister, the chief of defence staff, the chief of supply and services, and so on; (you may have different names for that but I pick the simpler term as it is more descriptive.)

Then you have the chief of administration, the chief of defence research, and I have suggested that this should be the level for liaison with civil defence. At times the chief or the director of civil defence should have access to that committee.

Matters will be decided by the defence council which will have a bearing on civil defence, and at times he should be called in. There will be decisions there that will affect the civilians. Underneath that you have the three military chiefs, the chief of supply staff, the chief of defence staff, and the chief of administrative staff, who answer directly to that council—that is where they take their orders, not from the defence chief himself. Of course, there has to be some area of co-ordination. This has been tried at various times in history, but here I simply showed you the co-ordinating staff. We have attempted things such as a staff duty directorate. There must be a co-ordinating section. This would operate under the chief of defence staff. This defence council I have suggested is composed of three or four military members and three or four civilian members—there is a strong element of civilian control in there—as well as the minister, his deputy or his associate. I will not take your time up any longer. An expert could perhaps pick some holes there, such as the deputy chief of defence staff having those duties assigned to him which I have assigned to another person. I do not think it is necessary in the argument I am trying to make here at the moment.

Many of our present defence difficulties in Canada are not a result of incompetent officers or military bungling in the services themselves. The armed forces by and large have been led by dedicated men whose highest objective is that the services they command are as efficient as they can make them. I have very great pride in the Canadian forces. I have seen them in operation in many parts of the world; they are operating now. I do not think we need to take our hats off to any other troops in any way. When difficulties arise it would be totally unfair to blame these people for the dilemma when it was the system itself which was at fault.

Of equal importance in the defence council principle rather than the commander in chief principle, may I repeat, is the fact that the former introduces a really strong element of civilian leadership. Civilian authority under our present system has been exercised from time to time at the top, for example, the Right Hon. Mr. Diefenbaker's veto of the Avro Arrow. More often than not, these have come much too late in the decision making process to be effective. These, in my opinion, should have been settled at the defence council level. Under the present system it has not been uncommon for the services to be working for months on new weapons, research, and so forth, and committing large sums of money for research and so forth without a proper understanding by the civilian authorities until it is too late.

It will be noted that in the British system since the war the civilian element has not only been retained but has indeed been strengthened and broadened. Over the years I have kept up a little correspondence with Professor Cyril Falls, Chichele, professor of military history at Oxford university. I asked him what the trend is in Britain as the British have brought in various changes. I asked him whether there was any weakening of the element of civilian control. He said it was just the reverse, the British have been extending this control. They have included some extra civilians.

Might I also illustrate my point by the experience of Arthur Balfour one half century ago, when the British army was commanded by a single commander in chief. He held that having had no part, either personally or through his representatives, in the decision making process up to that point, the minister must either accept his experts' recommendations, in which case his superior authority is mere form, or he may enter into a debate on the pros and cons of the project and start afresh, in which case he has in effect rejected his experts' advice. Either way he has placed himself in a false position. The experts prevail over him or he, a layman, overrules them, with consequent loss in time, effort, money and morale.

Assume for a moment that we could find a paragon of all the virtues to occupy the post of chief of the defence staff, in fact, a commander in chief. Look at the position in which he would be placed. All his professional associates would be junior to him, accepting his directions and orders and therefore not likely to challenge his decisions and no power to veto his projects. Above this one, top expert or professional soldier are the amateurs or civilians, in many cases not qualified or prepared to question his professional advice. It is hard to believe that such a top chief would not have some blind spots, some professional biases, some personal prides or fixations which could cause disaster. Surely the matter of national defence and the huge costs involved should not be subjected to such hazards. Certainly from an individual standpoint it is much easier to operate by yourself and be the complete boss and not have the problem worked through a committee, but it is not the individual interest we are thinking of here but the question of what is the right thing for the country.

You will have noted in the organization chart No. D, which I have suggested, that I have shown three areas reporting directly to the minister's office not through the chief of staff or even the defence council. The reasons for this are very real, though I do not feel I should take up the time of the committee to enlarge on this at the moment. In passing, I would simply say that the tradition of the inspector general reporting to the minister directly is most important. His reports must not be inhibited by the operations staff, the chief of staff, the deputy or anyone else, if he is to properly carry out his function. If he is going to be the inspector, he must report directly to the minister and not have to qualify his report because the chief of staff vetoes it first.

Similarly, in the matters of press and psychological warfare—I have referred to it that way but it is now called public relations. Public relation has come to mean something quite different in commercial life today. During the war we called that P. and P.W., (press and psychological warfare). I think the army should revert to it because it is much more descriptive of the function. This is a thing we do not see in peacetime. We did not understand this early in the war in Canada. There are several functions in this branch: There is the question of the information to your own people. At times it has to be used for a special purpose and I can quote many examples. For example, in England at the time of the V-1's and the V-2's, it was a matter of government decision that this control of public information had to be exercised so as not to alarm the public. They could not have reports on the effect of the V-2's reaching the Germans. You must have some branch to cope with that. You do not need it in peacetime but only in wartime and it must be dealt with through the ministers of the government.

There is a question of information to your own troops, and the question of propaganda to the enemy. This was done by loud speakers, leaflets dropped by air and infiltrating news to the news services, and so on. This is a function you do not see much of in peacetime but it must exist, and I suggest it must operate through the minister's office.

You cannot have a serving officer, who does not answer to parliament, issuing orders on what is going to be fed to the press and what is not going to be fed to the press. I have said here it is a grave mistake to have this placed under the control of any single department, directorate or senior officer. In theory only the minister should make public announcements or comment on policy, and so on. He must answer in the house for the armed forces. It is not the function of a commander or serving officer to express his views on defence policy in public.

This is, however, too wide a subject to cover here. After many bitter lessons in this area during the war, I was instrumental in drawing up a memorandum on the subject at the end of the war. I am afraid much of our wartime experience, however, has been lost in this connection. I throw that out in the chart to show where I feel it should be dealt with.

But to return to and conclude my comments on the main issue I have raised, may I just touch on only a few quotations to illustrate my point. By drawing so largely on history, I trust my views will not seem archaic. It is simply a principle I wish to illustrate. You will, I think, agree with me that General Wolesly was recognized as a highly qualified commander; he had a very successful military career in various parts of the world. He was here in Canada on the Wolesly expedition. When appointed commander-in-chief, however, in Whitehall—with the widest authority—the British army became completely discredited—due to countless mistakes.

As Prime Minister, Salisbury on reviewing army inefficiency since the days of Wellington, concluded that the failures, leading up to and during the Boer War, were so complete that bad generals alone could not account for it—clearly the system or machinery itself was wrong.

Writing on this same subject back in 1942, the late Grant Dexter said as follows:—

The commander-in-chief was abolished for reasons which the Esher committee regarded as decisive. They were expressed by Mr. Balfour in the British House of Commons and they apply to any minister who tries to control the army without the aid of an army council. To retain the commander-in-chief, said Mr. Balfour, meant that he would advise the secretary of state—then minister in Canada—and thereby the secretary must be destroyed. He would inevitably become only the nominal head—the puppet of the commander-in-chief, the mouthpiece only. In discussing this point, Spenser Wilkinson, then the Chichele professor of military history at Oxford, agreed with Mr. Balfour. For a minister to deal directly with individual military experts is to place both minister and expert in a 'false position'. The minister, he said, must either confirm the expert's decision, in which case his position as superior authority is a mere form, or he must enter into the reasons for and against and decide afresh, in which case the expert becomes superfluous. It is bad organization to have two men (the minister and the expert), one over the other, to do the same business.

It is my own conviction that the defence forces of Canada will be much more effectively directed by a defence council of both military and civilian personnel, rather than by a single officer directly under the minister. I would further suggest that each member of the defence council, should be specifically charged by statute with clearly defined responsibilities. In my opinion areas of actual responsibility are far too vague under our present system. I am convinced that these senior service members of the defence council should take their orders from the council as a whole not from a single commander-in-chief—or chief of the defence staff—call him what you will.

The specific findings of the Esher committee on this point are as follows:—

With respect to the army council, the report (Part II) says:

(Para. 4). The members of the army council will act in a dual capacity: (*a*) as colleagues of the secretary of state at the council table, and (*b*) as superintendents of the several branches into which the business of the war office will be divided.

(Para. 5). The responsibility of the secretary of state to parliament and to the country for the administration of the military forces will in no sense be diminished, but it will be shared by the members of the council.

(Para. 6). The council will decide all questions of military policy, and all important questions affecting more than a single branch of the war office.

(Para. 7). The decisions taken—in our case the defence council—will stand, and executive orders will be issued in the name of the council as a whole.

There is no question in their minds in terms of where the authority rests. It thus become the duty of any military member or members of the council who may dissent from a decision taken, either to resign office, or to accept a share of responsibility for the action involved. While, therefore, loyalty to the service should prevent any member from retaining office, if what he considers a vital principle of policy is contravened, loyalty to his colleagues will prevent the opinions of individual members from becoming known outside of the council room. In other words, there must be a unanimous opinion. The dissent of any member who does not thereupon resign is, by that fact, annulled, and he must accept his share of the consequent responsibility.

With regard to the selection of good men to head the branches the report says, Part I, paragraph 23: While we are strongly of opinion that immense improvement can be effected in the war office and in the army, by reconstructing the administrative machine on sound principles, we are well aware that the personal qualifications of the individual members of the council must be factors of great importance. Men of exceptional abilities can obtain fair results from a bad system, but under a good system, personal shortcomings produce the minimum of disadvantage, and they are, moreover, easily detected. It is of the essence of a bad system that mediocrity or worse is effectively shielded.

The duties and functions of the heads of the four branches are clearly set out. In those days they had the M.G.O.'s branch which does not exist today; it has been shifted over to the munitions and supply branch.

(Part II, Para. 8). The main duties of members as superintendents of branches will be:

(*a*) To take any action entailed by decisions of the council.
(*b*) To give decisions not requiring the authority of the council.
(*c*) To bring before the council any important questions which may arise in connection with the work of their branches and may require decision by superior authority. In other words, they do not go running to the chief of staff. These are brought to the council where civilians sit.

(Para. 9). Members of the council will be responsible for the efficient working of their branches, and in order that responsibility may not be divorced from power, they will have full control over the personnel acting under their orders. There is no buckpassing there; they are held responsible.

(Para. 16). In the absence of a member of the council,—for example, if he is relieved—his duties must be performed by another member. (That is to say, there can be no deputies, as is the case with the army council at Ottawa.)

(Part I, Sec. 2). The appointment of the military members of the army council should follow exactly the long-established practice of the admiralty.

The selection of the military subordinates in each branch should be made by the secretary of state—in our case the minister—upon the sole recommendation of the responsible member of the council; in other words, not by the chief of staff alone.

In your proposed plan you will have him having a great deal to say with regard to who are his pals around that board.

On this point of continuity, you have a chief of defence staff who serves for four or five years, and then a new one will come in. Under the present system, the new one is able to say I want such and such a chap to serve with me. You cannot have that chap coming in and changing the whole system on the whim of one man. He could change the whole organization and policy of the government. There will not be the continuity under a chief of staff which there would be under a council.

I will endeavour to answer any questions by drawing on my own experience. If your are interested, I might try to outline some of the views of General MacArthur on unification. I had some discussion with him on this subject in the Philippines. I might add that Sir Winston Churchill, who had quite a bit of experience in military matters in a few wars, is fully in favour of a council system rather than one man. He is a very strong personality, as you know.

I think that concludes any statement I have, Mr. Chairman. I am a little hesitant here as I see some experts in the audience, including a former minister.

Mr. HARKNESS: That does not mean an expert.

The CHAIRMAN: Thank you. We will now proceed with the questions. First I have Mr. Lloyd, then Mr. Harkness, Mr. Temple, Mr. MacRae, and Mr. Groos.

Mr. LLOYD: Mr. Malone, being the first questioner, may I express appreciation for the effort you have made to bring to the committee, through your past experiences, proposals, and what you see as some challenging possibilities. First of all, may I ask you a general question.

I did not hear you, or I did not hear any observation from you as to the organization for defence in a nuclear age as compared with the considerations that were given to it prior to the advent of this type of modern warfare. Would you care to draw any contrast between these observations?

Mr. MALONE: I do not think it calls for any basic difference, but there must be a greater emphasis on the question of research and science. You have to decide on the extent to which you want to extend your present research board. I think the basic factors are the civilian authorities, such as supply ministry, the scientific arm, and so on. Undoubtedly, there must be greater emphasis placed on the scientific end in the future.

Mr. LLOYD: As you know in the last several decades we have been increasing our knowledge and appreciation of organization from governmental, civilian, and private corporations, and many techniques have been developed. As I listened to you I wondered whether you had appreciated the staff work that must be accomplished at the chief of staff level? If he is a well qualified man in the post, is he not really reflecting to a very large degree the collective wisdom of the people around him?

Mr. MALONE: Not necessarily. Of course if they are his friends, he will gather around him, if he has this authority, only the people who think the way he does. For example, if he has a chap on the council who is opposed, let us say, to the Bomarc he will get rid of him and get someone who will play it his way.

Mr. LLOYD: You have reminded us that Mr. Churchill liked the idea of the defence council.

Mr. MALONE: Yes, he used it in the admiralty in world war I.

Mr. LLOYD: But he himself did make many decisions.

Mr. MALONE: Yes, as prime minister.

Mr. LLOYD: But on the basis of collective wisdom too?

Mr. MALONE: Yes. But he was quite happy to operate through a board, such as an admiralty or an air defence council rather than through a single chief of staff. He never worked simply through General Alanbrooke, the chief of the imperial general staff. Alanbrooke answered through the army council in England.

Mr. LLOYD: Do you observe any fundamental difference in our approach to this problem in Canada as compared to their approach in Great Britain which might lead to some differences?

Mr. MALONE: Britain adheres to the council, or to the board system. That is the fundamental difference.

Mr. LLOYD: Does this come about because of traditions with respect to the navy? Is the air force, influenced to any extent because of such traditions?

Mr. MALONE: Towards the end of the war we had some rather forceful commanders who came home and wanted to be boss, and we let them do it. This will not work at government level. That is where the trouble starts.

Mr. LLOYD: When we were in England last November on the question of this proposed reorganization I recall the authorities there expressing concern about the future of the R.C.A.F., for example. It was a difficult political decision to subtract from that force.

Mr. MALONE: Yes.

Mr. LLOYD: It played a prominent role as one of the elements of the military forces and there was great appreciation of the air force and what it accomplished in world war II. But with the advent of atomic warfare, the missile age and so on, it was also apparent there would be an increasing role to be played.

Mr. MALONE: I quite agree.

Mr. LLOYD: I gathered from observations there that there was some watering down of the scheme of organization so as to meet purely political considerations rather than the pure scheme of organization for this age. Did you run across this?

Mr. MALONE: I think undoubtedly unification will come in Great Britain. Under their present new plan, they still keep the minister for air on the same level as the minister for navy and the minister for the army. They will still keep the minister for air under their set-up.

I would like to think that what you are projecting here could form a pattern for many other countries. I hope I am not misunderstood. I am very much in favour of this completely unified service in Canada. I think we are away ahead in the game. We may make mistakes, but I am in full support of this thing. But there is one principle which might jeopardize your whole program, and that is the setting up for control by one man. He might be a very fine chap, excellent and clever, but you are basing the whole thing on this one man. I would be much happier if you had a council answering to the minister, rather than just this one man.

Mr. LLOYD: To you a defence council is more important because of the nuclear age?

Mr. MALONE: Absolutely.

Mr. LLOYD: The civilian influence in decision making is an important element at the defence council level?

Mr. MALONE: If anything I think it could be much more important because of scientific development and so on. Civilian industry and everything else are subject to a much greater role in any future war.

Mr. LLOYD: Bearing in mind the techniques delegating authorities to officers down the line, are you saying in effect that one must be very careful to define the functions and role and authority of the defence council?

Mr. MALONE: That is quite true.

Mr. LLOYD: And by the same token the functions, role, and authority of the chief of staff in relation to that council?

Mr. MALONE: Yes.

Mr. LLOYD: That is in essence what you say; and you believe I gather in the abundant use of a system of checks and balances?

Mr. MALONE: Very much so. At the moment the committee will be determined by the chief of the general staff. This is a very vague thing. There is a great error in placing everything else under him. If you are the chief, then you are responsible for all administration and detail.

Mr. LLOYD: But you still cannot guarantee that with a council there will not be mistakes made, and that even dominant personalities might beat the system.

Mr. MALONE: Lord Esher said that we have done the best we can, but we must not encourage the system. We have men who are commanders because they have strong personalities, but their absolute control must not be encouraged. Let us think of Lord Kitchener in world war I when Britain had a terrible time, when he held large responsibility and was dogmatic; and let us think of General McNaughton at the start of the war, who was a great general to organize an army, and who was a very powerful figure. But I am not quite sure that the government of the day did not have some real hesitancy in vetoing some of his actions.

Mr. LLOYD: I think you will agree that the men who reach this stage are men capable of occupying the position of chief of staff. Surely those men have learned along the line to reflect the collective wisdom of the men around them, and that in their conflicts with the men surrounding them, they would tend to gather around them like-minded people merely because they wished to push on with their viewpoints and get them into operation, and possibly because of the parliamentary system.

Mr. MALONE: They are going to push their projects along and if somebody stands in the way, they get rid of him and get somebody else. This is because of the relationship which you have between the armed services and the minister through a commander in chief. This is where the breakdown occurs, I think.

Mr. LLOYD: Might I sum it up in this way: you suggest to the committee that they pay very close attention to the role of the defence council? It is obvious from your statement?

Mr. MALONE: Yes.

Mr. LLOYD: And that in any event very close attention should be paid to how the terms of reference and the authority will function, and how they are to be drawn, and not to leave too many loose ends open for exercising wider authority?

Mr. MALONE: That is exactly my point. You may make mistakes in the unification of your service. I think they can be corrected. But in a fundamental way if you start off with this one error of principle, then the whole system might break down.

Mr. LLOYD: In fairness to the minister, I presume that other members of the committee are suffering under the same difficulty at the moment, that we have not got full details of how the defence council will function. Your

observation is a very temporary one, as to how we should direct our steps in looking in this direction. I have no further questions.

The CHAIRMAN: Mr. Harkness?

Mr. HARKNESS: Mr. Chairman, I should like to compliment Brigadier Malone on his presentation and on the quite evident large amount of thinking and work behind it. I think it is a great advantage to the committee to get the advice of a person with Brigadier Malone's wide military background and from one who has continued his interest in these matters and done so much thinking about them.

Now, I would like to come to some specific questions. I take it from what you have said that you consider the minister, who is ultimately responsible for all actions that are taken, is in a much better position to make a final decision on any matter which is brought before him if he has independent advice from two, three or four military men rather than from one.

Mr. MALONE: That is the essence of it, yes.

Mr. HARKNESS: Well, I might say that I tried to bring out this matter one or two meetings ago. I am very strongly of that opinion myself. I think the minister is in a much better position, on the basis of my own experience, if he has several people from whom he can obtain advice; and he is much more likely to arrive at the best decision in this way than if he is dependent on one man only for advice.

Now, so far as the defence council is concerned, I take it that what you are getting at is really the principle of cabinet solidarity, which is one of the principles of our type of government, namely that the cabinet must speak in one voice, in the same way as the defence council, and anyone who does not agree on a question of principle which he considers of great importance must either resign or accept the view of the majority.

Mr. MALONE: He must support it whole-heartedly or get out; you have to be on the team or off it in this business.

Mr. HARKNESS: Once again, this is one of the basic principles of our type of government which I think the government should apply also so far as the defence council is concerned, and I fully agree with that. Now, you brought up the matter that it is charged with the responsibility for the administration of the army and you said it is very vague. In effect, is not the chief of the general staff charged with that as he is with everything else?

Mr. MALONE: Really, in effect, this is what it is. The terms are so broad in the Queen's regulations you could say that. One phrase says he is responsible for the duties of the staff; they will be as he directs. But, this is too vague. He may say: "I told so and so today". It is not written down as to whom, and he could change it tomorrow, and say: "You do it today and someone else do it tomorrow". It is too loose.

Mr. HARKNESS: But the fact is the chief of the general staff is the one man who is responsible for administration as well as everything else so far as the army is concerned?

Mr. MALONE: Yes, and this is far too big a responsibility for one man. His judgment cannot be perfect and it is too big to leave to one man's judgment.

Mr. HARKNESS: Well, I think there is no doubt that the systems arrived at in respect of the admiralty board, the air council and the army council, which we had at one time, which were arrived at as a result of a long period of trial and error, outlines some of the trial and error experience in Great Britain, after which we copied these things. I think there is no doubt that we have to pay a great deal of attention in respect of what happened in the past, not only in this country and in Great Britain but in other countries so far as evolving a system of organization which will work is concerned. I personally would take

the view that having found over a long period that a board or council works more satisfactorily than one supreme commander we should not desert that principle.

Mr. MALONE: That principle is not quite as convenient as it might be but it is the one that has stood the test of time.

Mr. HARKNESS: You also referred to the matter of appointments particularly in respect of the army, and that they were made on the recommendation of the general chief of staff to the minister. You also suggested that the general chief of staff naturally, as a result of human nature, will recommend various appointments of individuals whom he knows and whose thinking probably agrees more or less with his own.

Mr. MALONE: Yes, that is right.

Mr. HARKNESS: If one man is doing this I think it is apparent that there will be more, shall we say, uniformity of thinking in the department and thus more likelihood of mistakes being made than if you have several people working on an independent basis. I presume you would agree with that statement?

Mr. MALONE: Yes, absolutely.

Mr. HARKNESS: You also made some reference to why the C and C principle in the army was not changed when General Pearkes became minister, whom I followed, and I would suggest that the reason for that was that in effect a defence council system was in operation during that time. I indicated to the committee at an earlier stage that all the time I was minister I had a meeting at least every Monday morning with the chiefs of staff plus the associate minister of defence, the research board chairman and others. We had meetings quite often more frequent than that, at which all these matters were discussed and decisions made as a result of the advice of those people. So that in effect for some considerable time past a defence council system has been in operation as far as the Canadian forces are concerned.

Mr. MALONE: I would not like to disagree with the hon. member, but I do not think it was as complete as it should have been.

Mr. HARKNESS: It may not have been as complete as it should have been, and it was not in such formal terms as it might have been, but in effect it was in operation.

Mr. MALONE: I believe it was in effect for the purposes of consultation only. The minister at that time was able to consult with these people but they were not the authority issuing orders. The general chief of staff issued the orders. I believe I am correct in that regard.

Mr. HARKNESS: Yes, but any decision in respect of the orders to be issued was made by what was in effect a defence council.

Mr. MALONE: The Queen's regulations and orders which I read out a moment ago state very clearly that the chief of general staff had almost an overriding authority on military aspects and answers to the minister. He also sets the duties of the other officers.

Mr. HARKNESS: In effect, as I suggest, there was a defence council in operation and decisions were really made as a result of discussions at those meetings to which I referred. A decision was made at that time and as far as the army was concerned the chief of the general staff, of course, issued the orders.

Mr. MALONE: I would suggest to you that the council to which you refer was formed purely for the purposes of consultation and advice but had no authority as a council.

Mr. HARKNESS: The authority actually was in the hands of the minister.

Mr. MALONE: Yes, and he issued his orders to whom?

Mr. HARKNESS: He issued his orders to the chief of the general staff.

Mr. MALONE: That council did not act in the name of the council but in the name of one man.

Mr. HARKNESS: That is purely a formal matter. As far as the effect is concerned it does not make very much difference whether you have this written down in the Queen's regulations and orders or whether you do not have it written down, as long as you are working in that system.

Mr. MALONE: As you have suggested, you had a situation involving a minister and a chief of staff, who are competent people and agreeable to work together, but that does not necessarily mean the system is right. This all depends on personality rather than a system.

Mr. HARKNESS: I think that personalities determine these things to a large extent no matter what the system is, but the point I am making here is that in effect we have been working under a defence council system. The only point I was making here was that in effect we have been working under the defence council system.

You brought up the matter also of the press or P.R. section or division in the department reporting directly to the minister. I would like to state that I thoroughly agree with that. I think there is no question that this should be part of the minister's office and there should be direct reporting rather than reporting through a deputy minister or a chief of defence staff or someone else along this line.

Mr. MALONE: It has varied since the war, as I understand it. Some ministers have operated directly with their press section; other ministers have delegated the authority either to a deputy minister, a vice chief of staff, or intelligence, or something like that.

Having established the P.R. organization and having unified the three services in Canada, my own experience certainly convinces me that it should be dealt with by the minister. Let me illustrate that point a little. You see, this is something about which we knew nothing at the start of the war. We arrived in the field and found a different situation existing because communication was so rapid. A war correspondent, for example, would file a story in Italy and it would go over the high speed wire out of Naples and would be in the evening edition of the Toronto *Telegram*, and the government would know nothing about it until perhaps three days later. The poor minister would be confronted with questions in the house trying to answer something about which he knew nothing. The army channels are much slower than other channels.

On that basis I was granted authority—which I very seldom used—during the war, approved by General Crerar and General Montgomery, which would enable me in an emergency to use a direct line to the minister in Canada. I only used this on two or three occasions when a commander, inadvertently or because of strong feelings, undertook to give out a statement which I knew would give rise to trouble and that the minister must be alerted. There is no sense in saying that one has to go through a corps headquarters or the adjutant general in those circumstances because it would never get to the minister in time. I could give you a hundred illustrations of that principle.

Areas of political consideration must come into this. The situation is very difficult for a serving officer who must have no political interest whatsoever. That is why I feel there must be a direct line to the minister.

Mr. HARKNESS: In this delicate situation I think there is no doubt that it must go directly to the minister and that there must be a direct line of communication to him.

Mr. MALONE: I am very glad to hear that you agree with me on that.

The CHAIRMAN: Mr. Temple.

Mr. TEMPLE: Mr. Malone, I take it that your main objection to the proposal is that there is insufficient civilian control.

Mr. MALONE: That is not quite right, no. My chief objection to this is that directly under the minister under your proposed system will be one chief of staff, a professional. I feel there must be a council directly under the minister and there must be a strong element of civilian participation in that council. I think that is a clearer definition of my feelings.

Mr. TEMPLE: Then that is fine; I wanted to clear it up. It is not then the case that you feel there is insufficient civilian control under the proposed new set up?

Mr. MALONE: No, except I would say that they are not in the position of authority in which I think they should be under that arrangement.

Mr. TEMPLE: You were mentioning several dangers in having a single chief of the defence staff. How do you rate those dangers? In what order do you rate them? Do you rate them in the order of political danger, danger as to any direct take over of authority, financial danger, the great waste of money which might result, or a poor defence force?

Mr. MALONE: I think the last one should come first. I have no great fears under the system of Canadian democracy that the army will take over in this country.

Mr. TEMPLE: Nor have I.

Mr. MALONE: You will recall that Mr. King suggested that at one time, but this is not possible. In Latin America it may be the case, but I do not think we will be faced with that possibility here.

Mr. TEMPLE: Then we can rule that out.

Mr. MALONE: I think I would say poor administration.

Mr. TEMPLE: So we can centre pretty well on that?

Mr. MALONE: In my opinion, yes.

Mr. TEMPLE: Now, you said the inspector general would be reporting directly to the minister. The inspector general reports on the accounting policy?

Mr. MALONE: Not necessarily. The former minister here may be able to correct me since I have not followed the point since the war to the same extent. The inspector general, by and large, reports on the efficiency of the forces. He actually visits units, installations, stores, equipment, and so on, and sees that the army functions well. It is not necessarily an auditing operation. Mr. Harkness, I think you could tell me, does the inspector general still report directly?

Mr. HARKNESS: There has been no inspector general.

Mr. MALONE: I made inquiries about this and in my opinion this is a great lack at the moment.

Mr. TEMPLE: To get back to the part of the administration which we have agreed is, in your opinion, the main breakdown in the proposed system, does it, in your opinion, really matter, under administration or under the inspector general, or under what the inspector general might do—there are many phases of this—whether he reports directly to the minister or to the deputy minister.

Mr. MALONE: In actual fact undoubtedly the deputy minister would handle a great number of the items, but it must get to the minister's eyes. If something goes wrong in the unit over in Germany, Cyprus, or wherever your problems are, it could be covered up right up the chain of command. This might reflect on whoever is the senior man, and it might go very high.

If someone has made a mistake or failed to think something through, the minister must know and it must not go through someone else's hands.

Mr. TEMPLE: And yet, with so much going on, does it not really follow that it should go to the deputy minister, and of course from the deputy to the minister? There has to be some way of channelling it.

Mr. MALONE: In actual practice the system was this: Early in the war, during the mobilization period we had an inspector general for eastern Canada and one for western Canada. The reports came directly to the minister's office. As a rule items were drawn to the minister's attention. In many cases he read the thing direct and the item would be referred to the deputy minister for implementation. If the minister was absent, the deputy would take over, but it was the minister's office and not one of the service heads who dealt with it. That is really the point.

Mr. TEMPLE: In effect then—perhaps we are not too far apart on this—it would be the minister's office, but could we then not include the deputy minister?

Mr. MALONE: Yes, but not one of the service chiefs.

Mr. TEMPLE: In the proposed set-up where you have parliament, the cabinet, the cabinet committee on external affairs and defence and so on, we have the chairman of the defence research board, the chief of defence staff and the deputy minister, all of them reporting to the Minister of National Defence.

Mr. MALONE: I think that if you deal with this through the three services, the three branches of the services, that is the supply, administration and operation or G branch, they answer to the defence council. The defence council deals with the minister. The minister, in effect, sits in on that defence council. As I said in my brief, they become his associates, members of the board with him, and they are on the team with him.

Now, regarding the question of the research board and the civil defence, and there may be others there that you would put on—Britain has different ones—there are civilians there and they may not answer necessarily to the defence minister. I do not know whether there is anything wrong in having civil defence as we had it under the Department of National Health and Welfare, but when matters of the defence of the country are concerned they must have a voice on that board because it may have a great bearing on their plans, projections and so on. I do not think it is essential whether they answer to the Minister of National Defence, but they should have a voice on that board.

Mr. TEMPLE: The deputy minister is responsible, I take it, for a great many of the items that formerly were looked after or were the responsibility of the inspector general. Have you had an opportunity to see the proposed charts?

Mr. MALONE: I believe that is the present system; yes. Under the old arrangement prior to the war, the duties of the deputy were pretty well set out in the administrative end—running the department as such. He was not concerned with operations, intelligence, or anything like that. He did not enter into the operational aspect at all. I would assume—and Colonel Harkness may correct me if I am wrong—that he does in effect carry out some of the functions of the old inspector general at the present time; I do not know.

Mr. HARKNESS: I suppose that may be so, but not from the military point of view.

Mr. TEMPLE: Perhaps there is a need for clarification of the word administration, at least in my mind. We had agreed that the basic danger as you saw it was that the defence force would not be of the best because of poor administration?

Mr. MALONE: Yes.

Mr. TEMPLE: Can we break administration further into two parts; administration so far as the actual military programs are concerned, equipment and the roles of the armed forces and, secondly, into administration as it relates to personnel, auditing, pay, living conditions, education and dependants?

Mr. MALONE: Yes. There is a confusion of terms here. Again I think Colonel Harkness may bear me out. A junior officer used to have to memorize what is meant by administration. His functions had to do with matters of pay, and so on. This is another field. Here we are talking about a broader term—administration of the department. I think that is where the confusion arises.

Mr. TEMPLE: Is the basic danger, as you see it, owing to the lack of military programming, and the roles that Canada's defence forces may play, and the type of equipment they may need?

Mr. MALONE: No. You are going to take your chances in that area that you have good and able men in these jobs. However, in my opinion, that could be destroyed if you depend on one man whose judgment may be weak and whom no one can question.

Mr. TEMPLE: It is a matter of checks and balances.

Mr. MALONE: I have discussed some of these things with the present Minister of Defence. I am in agreement with everything this government is trying to do, except on this one point. Certain decisions must be political decisions—government decisions. Are we going to send a force to Cyprus—this is a government decision. The question is, are we going to do it, and then they decide to do it; the minister takes up with the defence council the matter of how they will do it. They say, we can do this and cannot do that, and they write it into policy. Then the army council, as I see it, should implement that policy and carry it out.

As an example, in 1950, we came to a great test in Europe on the question of the Berlin airlift. Field Marshal Montgomery at that time was the C.I.G.S. The decision had to be made whether or not we were going to go to war. The Russians had cut off all supplies going to Berlin. I was in Field Marshal Montgomery's office, and I said, "What is going to happen?" He said, "This is not my decision; it is political; it is the government's decision, and they have to decide whether or not we are going to fight for Berlin". Later in the day I asked him whether he had had his answer, and he said, "No, they are arguing it". I said, "What is your view", and he said, "It is quite simple; we cannot hold Berlin". He said, "They can fight because of Berlin, but they cannot fight for Berlin because the army cannot hold it".

Mr. TEMPLE: I have one further question. You mentioned Cyprus. Of course there was the advantage of realizing for several weeks that this might become a probability. But with something like Berlin, that you mentioned, it happened, very, very quickly, just over night, when they cut off supplies.

Mr. MALONE: Yes.

Mr. TEMPLE: When faced with that type of emergency, would we be in a better or a worse position by having a single chief of defence staff to come to a decision, or would we be better off to have three or four chiefs?

Mr. MALONE: I suggest that you are in a worse position depending on the one man. If you must have a decision made, there is no reason why a committee should not make it, with the majority ruling. Thereby you get a better decision. I am not talking about a commander in the field who is in jeopardy of somebody firing a mortar at him. He must make a decision and his troops must back him up.

Mr. TEMPLE: Would not the chief of the defence staff be able to call upon the heads of the other services and take their advice?

Mr. MALONE: Yes, but if they are all his friends, they cannot overrule him. This is the trouble.

Mr. MACRAE: In order to assess the representations of Brigadier Malone we should know the personnel of the proposed defence council that the government introduces here. And what seems to me to be more important is that we should know what the intended role of this defence council will be. Has that been given to us? Have we been given that information up to this point, Mr. Chairman?

The CHAIRMAN: Well, if you will read the evidence of our first proceedings, you will see that the minister did discuss the Defence Council. But he will be back as a witness and can be questioned further on this particular point.

Mr. MACRAE: It could well be that the role of the defence council would go much along the line that Brigadier Malone has suggested. That is why I raised the point.

Mr. MALONE: It would not appear so under the present chart which you have. It does not show it in a direct line at all.

Mr. MACRAE: That is all.

Mr. NIELSEN: Is Brigadier Malone personally acquainted with General Walsh?

Mr. MALONE: Yes. I served with him in the first division, and with General Allard. I have a very high regard for them.

The CHAIRMAN: It is now one o'clock and we have reached the time to adjourn. I still have people who indicated that they wished to ask questions. I am afraid they will not be able to do so, and I can only urge committee members to get here more promptly next time so that we do not have questions left unanswered.

Mr. LLOYD: I wonder if Mr. Malone is free for lunch? I have invited those whom I could contact. Some cannot come, but I would be happy if those members of the committee who can come would like to join me for lunch with Mr. Malone.

Mr. MALONE: Thank you very much.

HOUSE OF COMMONS

Second Session—Twenty-Sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, JUNE 9, 1964

Bill C-90, An Act to amend the National Defence Act.

Including Second Report to the House

WITNESSES:

Air Marshal W. A. Curtis, and Major-General W. H. S. Macklin, both of Toronto, Ontario. *From the Department of National Defence:* The Honourable Paul T. Hellyer, Minister; and Brigadier W. J. Lawson, Judge Advocate General.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20927—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman:

and Messrs.

Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Nielsen,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

ORDERS OF REFERENCE

THURSDAY, June 4, 1964.

Ordered,—That the name of Mr. McNulty be substituted for that of Mr. Asselin (Notre-Dame-de-Grâce) on the Special Committee on Defence.

MONDAY, June 8, 1964.

Ordered,—That the name of Mr. MacInnis be substituted for that of Mr. Lambert on the Special Committee on Defence.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

20927—1½

REPORT TO THE HOUSE

WEDNESDAY, June 10, 1964.

The Special Committee on Defence has the honour to present its

SECOND REPORT

Your Committee has considered Bill C-90, An Act to amend the National Defence Act, and has agreed to report it without amendment.

A copy of the Committee's Minutes of Proceedings and Evidence relating to this Bill (*Issues Nos. 1 to 6*) is appended.

Respectfully submitted,

DAVID G. HAHN,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, June 9, 1964.
(8)

The Special Committee on Defence met at 11:05 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Deachman, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple, Winch—(17).

In attendance: Air Marshal W. A. Curtis (Retired), Industrialist, of Toronto, Ontario.

The Committee continued its consideration of Bill C-90, An Act to amend the National Defence Act.

Air Marshal Curtis was called; he outlined his military and civilian background and then stated his views respecting the purposes of Bill C-90 and on related subjects. The witness was questioned and permitted to retire.

At 12:45 p.m. the Committee adjourned until 3:30 p.m. this day.

AFTERNOON SITTING
(9)

The Special Committee on Defence resumed at 3.50 p.m., the Chairman, Mr. David G. Hahn, presiding.

Members present: Messrs. Béchard, Brewin, Deachman, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Matheson, McNulty, McMillan, Pilon, Smith, Temple, Winch—(18).

In attendance: Maj. General W. H. S. Macklin, (Retired) of Toronto, Ontario.

The Committee continued its consideration of Bill C-90, An Act to amend the National Defence Act.

General Macklin was called, introduced and requested to outline his military background. The witness then presented his views respecting Bill C-90 and on related matters; he was questioned and permitted to retire.

At 6.00 p.m. the Committee adjourned until 8.00 p.m. this day.

EVENING SITTING
(10)

The Special Committee on Defence resumed at 8.15 p.m. this day, the Chairman, Mr. David G. Hahn, presiding.

Members present: Messrs. Béchard, Brewin, Deachman, Granger, Groos, Hahn, Harkness, Laniel, Lloyd, MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple, Winch—(18).

In attendance: Honourable Paul T. Hellyer Minister of National Defence; Honourable Lucien Cardin, Associate Minister of National Defence; and Brigadier W. J. Lawson, Judge Advocate General.

The Committee resumed its consideration of Bill C-90, An Act to amend the National Defence Act.

Respecting the objectives of Bill C-90, Mr. Hellyer replied to points raised at the last three meetings, by persons from outside the government service. The minister was further questioned.

The Committee proceeded to a detailed consideration of Bill C-90, Mr. Hellyer and Brigadier Lawson answering questions thereon.

Clauses 1 to 10 inclusive, the Title and the Bill were adopted, without amendment.

The Chairman was instructed to report Bill C-90, without amendment, to the House.

At 9.15 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

Note—The evidence, adduced in French and translated into English, printed in this issue, was recorded by an electronic recording apparatus, pursuant to a recommendation contained in the Seventh Report of the Special Committee on Procedure and Organization, presented and concurred in, on May 20, 1964.

EVIDENCE

TUESDAY, June 9, 1964.

The CHAIRMAN: Gentlemen, we now have a quorum. Would you come to order, please.

This morning we continue with Bill No. C-90, clause 1.

On clause 1—*Duties of chief of the defence staff.*

The witness this morning is Air Marshal Curtis. Before Air Marshal Curtis makes his statement, on behalf of the Air Marshal I would like to mention that he indicated to me that he has been quite ill over the week end. He is not feeling too well this morning and it was only by persuasion that he decided to appear before us today. So, after the Air Marshal has completed his statement I would ask that you make your questions as brief and to the point as possible so that he can get away early.

I will now ask Air Marshal Curtis to give a few remarks about his backgroun and then to make his statement.

Would you proceed, Air Marshal.

Air Marshal W. A. CURTIS (*Retired*): Thank you, Mr. Chairman.

Gentlemen, I joined the army in 1915. I transferred to the Royal Naval Air Service in 1916. I started flying in May, 1916. I served as a fighter pilot overseas during World War I.

Following the war I joined the Toronto Scottish and spent eight years with them. Then, when they organized the auxiliary air force I transferred to that and served there until the outbreak of war as commanding officer of 400 squadron in Toronto.

During the war I commanded Uplands air station. The year before that I was on postings and records.

At the end of 1941 I went overseas and became Deputy Commander in Chief of the Royal Canadian Air Force in London. I remained there until January, 1944, when I was posted back to Canada, where I served as the Director of Operations and air member for operations. Then, later I became Chief of the Air Staff. I retired in 1953.

Following my retirement I joined the board of the Hawker Siddeley group, then known as A. V. Roe. Although I am still with them I am retiring from that post at the end of this month. I have been Vice Chairman of the board there. However, I think it is time I stopped punching a clock at 9 o'clock every morning and from July 1 forward I will have time to myself rather than be expected to be at a certain place at a certain time every day. Shall I carry on, Mr. Chairman?

The CHAIRMAN: If you would, Air Marshal, with your remarks.

Mr. CURTIS: I have been most interested in the white paper and the proposition of saving $100 million a year. I think it is terrific; it has received the applause of editorials from coast to coast, as it should have done. I think that is a remarkable thing. I understand this will call for a reduction of roughly 10,000 troops in order to make that possible because integration itself will not come anywhere near to doing that. Also, I would think it would take probably a reduction of closer to 20,000 troops to make a saving of $100 million a year possible.

I am very happy to note that the government is arranging for a cash bonus on separation from the services, and I think that is very necessary. However, I do think that a little business education to the troops going out, particularly the officers, would be most valuable. The average businessman thinks that sailors, soldiers, and airmen are very good but that they do not know anything about business. These people do not realize the number of administrative jobs which are held in the services. I know both the University of Western Ontario and Queen's University have short six week courses in the summertime on business administration. This not only would give the retiring officers some knowledge of business but it would help them to make contact with business firms and men in business, which would assist them greatly in relocating.

Also, a good many of the officers have university degrees. As you know, there is a very great shortage of teachers in high schools and universities and I think a course in pedagogy for the few who will decide on that would be very helpful.

I have tried to interest the universities in retiring officers but I have not had much success to date. They seem to think that an officer probably would not be the right man for that profession. I think they would be outstanding because the discipline they have had would help them discipline students all the way along as well as assisting them in their outlook. My feeling is that a short course in pedagogy before they retire would be good.

Now, for the other ranks, there is the greatest shortage in trades of tool and die makers. I believe a lot of airmen would benefit by having these courses. I understand the government is setting up two different schools to teach these trades. There is a great shortage of men in these trades in Toronto and in other parts of the business world and I am sure that tool and die makers would help relieve that situation, as well as helping the men get jobs, which is so important to all of us. Two or three of the young lads who were with me as aides have experienced difficulty in finding civilian employment. When a man is in his late forties or early fifties it is not easy to step into any kind of a job other than, say, a service station or something along that line. So much for that.

Now, in respect of bill 90 and the changes contemplated therein, the administrative changes that are taking place is another matter, and a very serious one. I feel that to do away with the chiefs of staff is a terrible thing to do to the services. I do not care what you do, you are not going to have one service immediately. You may get it in 20 years but, in the meantime, our services are going to go down hill both in respect of morale and spirit.

I feel the three different services are like ships without a rudder; they are tossing around on the sea without a chief or a leader to lead them. That is what the C.A.S. is, the same as the C.G.S. and C.N.S. And, you cannot substitute a chairman who is removed two or three times and who is bound to be from one of the other services. He cannot possibly have the same intimate knowledge of every service that the chiefs have. I think if we had given the chairman the authority he should have had at the start with his command of the three services he would not have the problem that he apparently has had in trying to get agreement on budgets and that sort of thing. I know when General Foulkes was our chairman we did not go into the minister with our separate requests and try to persuade him; although we had discussions with him, we thrashed out our cash requirements and allotments with the chairman, the deputy minister and the three chiefs. We sat around a table and it was quite a battle; but it was an interesting one and was good for the services. Having three chiefs is a good thing; you always have two to keep the other one in line.

We are all anxious; every commanding officer in the whole world is trying to do the best he possibly can for his troops. And, when you have commanding

officers of two other services there to question everything you are doing you have to be pretty sure of the statements you make and the things you are after. So, in doing away with the chiefs of staff we are going to be put in a very bad position from now on. We deal principally with the United States and the United Kingdom. They are not going to go to one service.

I was in Washington two months ago and the report I got from the senior officers there was that although this was an interesting experiment they were too polite to say what they thought but they are not going to attempt it. As you know, we have had naval officers conventions in Washington SACLANT discussions, air officers' conferences as well as army officers' conferences and right now in the next year I suppose there will be no problem in getting officers for these duties, and I suppose they can carry on. But, in two or three years time, when we are all mixed up and we do not know whether an officer is air, army or naval, we will be in an embarrassing position when appearing at joint commissions in Paris, NATO or down in Washington, and I think we will be at a very great disadvantage.

In my opinion, integration at the top one or two echelons is all right. I think the chairman has to become a neutral officer; he usually bends over backwards to be fair to the other two officers and he has to ensure that he does not injure his own service. I have always found the chairman very fair. But, I do think we should have given him the authority he requires to force his views upon the other services rather than doing away with the other services and confusing the three services for a number of years to come. I cannot express myself too strongly in my view that this is a terrible mistake.

The CHAIRMAN: Thank you. We will now proceed with questioning.

Would you proceed, Mr. Smith.

Mr. SMITH: Air Marshal Curtis, there is one point upon which you did not touch in your opening remarks but I do know that you have had a great deal of experience in this connection. Under the proposed organization we have a deputy chief of staff, engineering and development. We have been told that he will be responsible for design, development, testing, evaluation, selection and quality control. From my limited experience it would seem to me that a lot of these duties that he is being given now are performed partly by the aircraft branch as well as by the other branches of the Department of Defence Production. In that do you see that there ought to be functions transferred from defence production to the Department of National Defence which would come more under the orbit of this particular deputy chief of staff?

Mr. CURTIS: That is something I have not studied and really I am not in a position to say.

Mr. SMITH: Except, of course, when you were in the air force you dealt with procurement and since you have left there you also have dealt with supply?

Mr. CURTIS: Yes, that is true. Well, I am not in a position to answer really. You must remember I am out now 11 years and they have made a lot of changes in the organization during that time. Although I feel that that is very important I am not in a position to comment one way or the other about it.

Mr. SMITH: To move to another area, you think that the chiefs of staff of the three services ought to be continued. What are your views on the giving of a statutory authority and specific duties to a defence council in line with Brigadier Malone's evidence the other day, who feels there ought to be control and supervision specifically allotted to a defence council.

Mr. CURTIS: We had a cabinet defence committee and we had a defence council, and we discussed many matters there, the chiefs with the deputy

minister and the minister. I felt that that was a very useful thing for thrashing out our over-all financial problems. I think that it is very necessary to continue it.

Mr. SMITH: Do you think it might be stronger if the defence council were given some sort of permanent form under statute?

Mr. CURTIS: Yes, I do.

The CHAIRMAN: Now, Mr. Lloyd.

Mr. LLOYD: Air Marshal Curtis, you used the expression that what is proposed is a terrible thing to do, and it would greatly affect the morale and the spirit of the forces. You went on to say that we need other leaders and so on. Would you be more specific as to how this could come about?

Mr. CURTIS: The department did a wonderful job in explaining the set-up of the forces to the general public. The comments from coast to coast were wonderful. There was much praise for it. Unfortunately that same amount of knowledge or planning was not passed on to the troops. The result is that the troops in the field are very upset right now. I have had it from officers in the army, navy, and air force, all of them. I think the navy and air force more than the army are more upset and more disturbed about the whole thing. They do not know where they are going. The thought is that if they could do away with the chiefs of staff, then anything can happen in the future.

The other day a father said to me that his son, a captain in the army, had written to him to say that there was a very, very disturbed feeling throughout the services. I talked to 150 individual officers in the air force a little while ago, and they do not know where they are going, and what it is all about. There is a very disturbed situation as a result of this bill.

Mr. LLOYD: Would there not be a certain degree of uncertainty about the future in any event under any reorganization proposal?

Mr. CURTIS: I think there would, but here there is no assurance that the end degree has been spelled out, whether they will put us all into one service, and put us into the same uniform, and we would all be the one rank. You see, the question of tradition enters into it. The navy has the greatest tradition of all. How do you get a fighting force? How do you get men ready to fight and to die? You cannot do it by an organizational chart, and by putting one man over it.

Mr. LLOYD: On the other hand, you have to have an organization in order to determine the relationship.

Mr. CURTIS: Yes, but we have had an organization and we still have it.

Mr. LLOYD: The only difference I can see in it is that I think that more authority should be given to the chief of staff.

Mr. CURTIS: To the chairman of the chiefs of staff.

Mr. LLOYD: Yes, to the chairman of the chiefs of staff.

Mr. CURTIS: Yes, and he is going to be in command over the chiefs.

Mr. LLOYD: No. Let us suppose that the Chief of Staff was given this authority, would it not automatically bolster the morale and spirit of the whole forces?

Mr. CURTIS: If you leave the chiefs there, and give him that authority, yes.

Mr. LLOYD: Would there not still be some uncertainty as to the future of matters in the organization?

Mr. CURTIS: It all depends on how you change the organization. If you bring about just the one organization and put them all into the one kind of uniform, that is one thing. But it has not been spelled out. I was present at

a dinner where there were questions asked, and one person said "I hope that I shall be out of the service before that happens." There is nothing cut and dried, for example, about the type of organization and so on that we shall have. In my opinion the playing will not be good music.

Mr. LLOYD: I find it difficult to imagine any situation in the past where a great many uncertainties did not exist.

Mr. CURTIS: That is right.

Mr. LLOYD: I think you will always have those who are in conflict with a situation where technological changes are coming about. International relations, obligations are changing our roles. Do you not have this state of change?

Mr. CURTIS: These are all situations which are expected and are normal. But here you have a man's way of life being changed.

Mr. LLOYD: Is it correct, or do I understand you correctly when you say that the desirable thing is to have the chief of staff—

Mr. CURTIS: The chiefs of staff.

Mr. LLOYD: The chiefs of staff, who have over them one man, a chairman, with authority to make a decision and in fact to carry it out efficiently.

Mr. CURTIS: Yes.

Mr. LLOYD: That is what would happen, and that is all there is to it?

Mr. CURTIS: When I say a person, he might have a planning board, and intelligence, and the planning board could supervise the planning of the three services. That planning board is very important. I think that should be one of the responsibilities of the chairman. But if the chairman had authority to command over three chiefs, then I think there would not be the uncertainty that there is today.

Mr. LLOYD: All right. But I think it difficult to find the degree of difference in your concern. I do not know. I am not an expert about it myself, and I am just asking these questions as a layman. But I have been in a city where there are several thousand service personnel and my experience has been to the contrary to yours. They are looking forward to that change. Younger people look forward to changes and improvements. The younger men in the services do not seem to be disturbed. What age group and what rank were the preponderance of the people who expressed their views to you? Were they mostly senior officers?

Mr. CURTIS: Most of them were in their forties. The odd one might be younger, but most of them were in their late forties.

Mr. LLOYD: And that was the consensus of those you talked to?

Mr. CURTIS: Yes.

Mr. LLOYD: How many did you talk to about it?

Mr. CURTIS: Oh, 150 would be a round number.

Mr. LLOYD: How would these conversations take place? Would they be just involuntary observations?

Mr. CURTIS: No, I spoke at a meeting and I was questioned by different officers.

Mr. LLOYD: Where was this meeting held?

Mr. CURTIS: In Montreal. It was an air force meeting.

Mr. LLOYD: And you gave an address?

Mr. CURTIS: Yes.

Mr. LLOYD: Following your address what happened?

Mr. CURTIS: I gave an address and questions were asked. I came to this opinion as a result of the questions. I have talked to senior naval officers from the east and the west coasts and I can assure you that they are upset.

Mr. LLOYD: Yes, they are concerned—perhaps concern is a better term—about what their roles will be.

Mr. CURTIS: It is more than concern.

Mr. LLOYD: In other words, what you suggest, is to give authority to the chief of staff to impose his decision?

Mr. CURTIS: I mean to give the chairman of the chiefs of staff authority, and let the services have their leaders.

Mr. LLOYD: And you think with this decision morale and spirit would be better?

Mr. CURTIS: I do not know if it would be cured, but it would not remain the way it is now, because a leaderless organization is not much use.

Mr. LLOYD: It would be a different step from what is proposed here.

Mr. CURTIS: You are going to amalgamate the three services. Let me suggest an illustration. Take General Motors. They have a president at the General Motors headquarters. They also have a lot of companies such as Chevrolet, Oldsmobile, and Buick. These companies will compete with each other. They also compete with Ford and other motor car companies. Now, you would not expect General Motors to take away the president or the general manager from those companies and have them function properly, would you? I think that is a case more or less similar.

Mr. LLOYD: When you get into a formally defined relationship it depends on how it is stipulated. Is it stipulated in the form of a statutory provision, or are there rules and regulations or orders in council, in some way establishing the relationship to the various points of authority, as to how they shall be expressed and divided? Is this not where you get organizational relationship? Do you think you can fairly judge this, until you have these various details?

Mr. CURTIS: You mean the details of the services?

Mr. LLOYD: And how the flow of authority will be guided or directed.

Mr. CURTIS: It has not been made clear. It is something which is to happen in the future.

Mr. LLOYD: If this is made clear, perhaps we could do a better job of judging it.

Mr. CURTIS: Yes, possibly we could. But I would be surprised if without a leader any organization could do very well.

The CHAIRMAN: Now, Mr. Groos.

Mr. GROOS: My question has already been answered.

The CHAIRMAN: Now, Mr. Lessard.

Mr. LESSARD (*Lac-Saint-Jean*): Shall I speak in French or in English? It is easier for me to speak in French.

(*Translation*)

Air Marshal Curtis, you said you were satisfied with the plan designed to reduce by $100,000,000 a year, to save $100,000,000—

(*Text*)

The CHAIRMAN: I am sorry, Mr. Lessard. The switch was wrong. Would you mind repeating your question, please?

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I understood you to say you were pleased with the plan designed to reduce, or to save $100,000,000 a year. Is that what you said?

(*Text*)

Mr. CURTIS: That is correct.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): You also said that in order to bring about that saving, the armed forces would probably have to be reduced not by 10,000 men as expected, but by 20,000 men.

(*Text*)

Mr. CURTIS: I said it could be as high as 20,000, yes.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): You also stated that at the present time the integration plan is having a bad effect on morale. Do you not think the bad effect on morale is caused, not so much by the integration plan itself, as by the uncertainty as to Canada's future military role?

(*Text*)

Mr. CURTIS: I think that the future military role of this country, as we have been following it lately, is a very good one. I think the Prime Minister has done an extremely fine job in organizing and getting a police force to go to different parts of the world. This is a role that the Canadian army has played extremely well and it will continue to do it well. I think this is a better contribution than we can make in any other way, that is, after our NATO and NORAD commitments have been satisfied.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): That is the point, since you accept the fact that Canada's future role will be that of a military police force, in that case is it not supported by the statement and the plan to reduce Canada's military strength, I mean as regards attack since our role will mainly be—I entirely agree with that—a peaceful role. In that case would it not be perfectly normal for us to attempt to centralize our military administration under a single directorate since we shall only have one role to play? We shall no longer have three roles to play as we had before namely in the air, on the sea and on land, since the said police force will mainly play its part on land, the navy, as such, will not have much of a part to play, nor will our air force since we have already begun to lay aside the Voodoos, and it is not planned to acquire others in the near future for use as combat aircraft. Our air force, as such, will soon become merely a transport unit to give mobility to the international police unit we intend to train in Canada. In the context of Canada's future role, is it not perfectly normal that our air force officers should feel a bit lost since they will no longer be playing the part they used to play? Should we not accept that situation, since there is no other alternative?

(*Text*)

Mr. CURTIS: If Canada's military role in the future is to be anything more than that of a police force, that would make it quite different. But if our role is going to be nothing more than purely a peacekeeping one, I think that there would be a waste of time in having an air force at all, and that you would do better to have T.C.A. run your transport. I would get rid of the air force right away. And I do not think you would need a navy to run transports. The Canadian navy is not designed to do anything but a transport role. It is

of course a fighting service. And once you take away the fighting role from any service, the service loses its push, and it is not much good. If you are not going to have an air force which has a fighting role, and we have commitments to NORAD and to NATO, then if there is ever a war of any size, you will be in difficulty, you will need an air force. Since 1918 you cannot have a fighting war with troops without some form of air force to protect them. If the enemy has an air force, then we have to have one.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): We have to face the possibility of a future war, which, it is more than probable, if it is a large-scale war, will be a nuclear war. So what part will the forces play in a nuclear war since it is now asserted that that war will be waged with the use of guided missiles, against which the air force, to all intents and purposes, will have no part to play? Hence the original role of the air force is eliminated. Do you agree?

(*Text*)

Mr. CURTIS: One of the bases of a nuclear war, one of the thoughts in planning up to the present time has been that after the initial onslaught of missiles then the bombers come over and clean up. Missiles soften the target and the bombers come over to clean up. That is the theory they have been working on for some years. And in the event of a nuclear war would we not need an air force afterwards to interfere with bombers coming in?

Everyone seems to have lost any thought of fighters, or air superiority, or reconnaissance, or photography. Since we have been talking of nuclear war the whole of the country seems to have gone mad about bombers and interceptors, saying that if we do not have a nuclear war, then we do not need an air force. Nothing could be farther from the truth than that unless someone has made the decision that we are not going to have a war again, that we are not going to have any more normal kind of fighting—and that is a pretty big decision to make; but if that decision has been made then all other things are of little or no importance.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): One final question, you stated that you would have preferred to retain the chiefs of staff of the three groups. You also stated that what was wrong, was that there was not enough authority or that the head of the chiefs of staff had no authority and that if he had had authority, certain mistakes that occurred might have been avoided. Do you really believe that greater authority would have avoided a mistake such as that of the Arrow into which we poured billions of dollars, or that of the Bobcat, into which we poured millions of dollars, or that of the frigates which we just escaped in time by putting a stop to them, or maybe like that of the three conventional Oberon submarines we have just ordered. If these people had had more authority do you think they might have decided that these things should not be done since, when all is said and done, they proved useless.

(*Text*)

We are concerned with money and we have to save money not only on people but on materials too.

Mr. CURTIS: That is true. You see, you cannot say that those things were all mistakes. I made a promise some five years ago and again two and a half years ago that I would not discuss the Arrow, but I would like to say this. The Arrow was a terrific success. As an aircraft, it met every specification; it went up to 50,000 feet and, on its third flight, it travelled at 1,400 miles an hour. It was the greatest manufacturing-design effort that Canada has made in any advanced form.

I have said that I am not going to enter into discussions on that because that is a closed book, and nothing would be gained by my saying anything about it. I feel that that is water over the dam. However, I do feel that Canadian industry built a wonderful aeroplane.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): In that case, just one last point, could we in Canada, to beat Egypt, allow ourselves to build pyramids like the Egyptian pyramids here in Canada, just to make them taller and finer so as to show that we are capable of doing things better than they can, if they are of no use to the country as such?

(*Text*)

Mr. CURTIS: This was not a pyramid; this was something which was of use to the country. However, I am not going to talk any more about that; it is sufficient for me to say that it was not a pyramid. It was a very fine production on Canada's part; it showed great skill, though that was not the reason for it. I will not go into that.

Mr. LESSARD (*Lac-Saint-Jean*): Thank you very much.

Mr. MATHESON: Air Marshal, you spoke a moment ago about the perhaps cavalier way in which a lot of people are tending to dismiss the fighter and reconnaissance roles. Would you not agree, however, that as time progresses and as we see it now the fighter and the bomber role must diminish very substantially in importance relative to the transport role for the Canadian air force?

Mr. CURTIS: It all depends. It depends upon whether or not we are going to have a war, a major war—and by that, I do not mean a world war. There are many hot spots that could develop into war. If we are prepared to say that we are not going to have that, that we are never going to have another war, then your statement is quite right. But I do not know who is prepared to make that statement.

Mr. MATHESON: Air Marshal, assuming we are able to carry on as we hope in a period of peace or comparative peace and that these changes and shifts do in fact take place—that is a diminution of the fighter and bomber roles relative to the transport role—is this in itself not very disturbing to the air force personnel, particularly those in the age group of 40 and above?

Mr. CURTIS: I do not think so. The air force has been pretty advanced in their thinking and they are very flexible and are prepared to change as they go along. I do not think that worries them very much; I really do not. If there is no role for fighters or bombers, then there will not be any fighting and there will not be any war.

Mr. MATHESON: When you made comments on the lack of a chief of the air force, a chief of sea forces and so on reporting directly to the Minister of National Defence, were you bearing in mind that Mr. Hellyer told us, I think, that the chief of air forces, the chief of land forces and the chief of sea forces were reporting directly to the chief of defence staff who was producing a consolidated view for the minister?

Mr. CURTIS: That is right. They can do that. It is only a matter of an order to be issued to say they are not to come direct but they are to go with the chairman. If the chairman is dealing with a problem affecting them, he will take them with him. They are the top men in that branch of the service.

Mr. MATHESON: We might well have an air officer who would be senior officer of the defence staff—

Mr. CURTIS: We have at the present time.

Mr. MATHESON: —and I wonder how it could be contended by you or your air force friends that the views of the chief of the air force would not be brought forcibly to attention.

Mr. CURTIS: I do not think any chairman can possibly know enough about every service to speak in detail to the minister about them. I think there are times when he would want to take that chief in with him. I do not think it is humanly possible for one man to have all the knowledge necessary to understand all the intricacies of every department. I really do not think this is humanly possible. They are very complicated services in this age of technology when we are going ahead faster and faster, and I do not think it is possible. The higher up you go and the farther away from the working level the more difficult it is to understand everything. With three services you have a man who has been brought up and trained all his life through one service. What hope has he of understanding the other two? Not very much.

Mr. MATHESON: But, Air Marshal, can you conceive that it is possible and desirable in Canada's over-all future defence policy that from time to time the role of one of the services may diminish relative to others and that there may be a change in emphasis?

Mr. CURTIS: Yes.

Mr. MATHESON: You do see that?

Mr. CURTIS: Yes, I see that.

Mr. MATHESON: That is all, thank you.

The CHAIRMAN: Mr. Laniel.

Mr. LANIEL: Part of my questions have been answered already. I was impressed by the witness's comment, as was Mr. Lloyd, and I am wondering if it is really as bad as that. I have been in the air force and I have served for eight years in an anti-aircraft unit. I was not personally too much affected or worried about decisions at a high level; I was more worried about the decisions affecting me at a lower level. Even if these changes are made and if the chiefs of staff are removed, I am wondering if you would not think, as I do, that there will be some other components and there will be still a commander of the different services until such time as there is integration, whereby the morale and spirit of each of the services will be maintained. I do not really see how it could be as bad as you have put it. We have the experience here in Canada of our military colleges in which each one has a change of command every four or five years and not necessarily a change of personnel, although there may be a change in administrative personnel to a small extent. I do not think that really affects our military colleges. I am wondering if this would not be a comparison that would at least bring to our minds the benefit of the doubt towards such a change.

Mr. CURTIS: The point is that there will not be a leader. They can go to the personnel department with their problems but there is no person responsible; there is no one for the different services. When they let the chiefs go—which I understand will take place in July of this year—there will be no one to speak for the three services. The chairman's will be the only voice there is.

Mr. LANIEL: Yes, but there will be some representation of the services at the level of the chief of staff, as we were told by the minister.

Mr. CURTIS: There are lots of committees set up throughout the place but there will be no one there to speak for the navy or the army or the airforce as such.

Mr. LANIEL: You commented upon the report and the white paper. That was well received by the country and it would be a good thing if we could manage to save $100 million.

Mr. CURTIS: Yes.

Mr. LANIEL: There is also the fact that our defence expenses are growing bigger and bigger all the time. We must think about money at the same time. I am going to ask you this question: in your many years of service have you found other ways in which to secure an efficient military force within our financial means? Have you found any way other than unification of the services?

Mr. CURTIS: I do not think unification of the services is the answer to that; that is just an administrative change—calling things by different names and doing things in different ways. I do not believe our defence budget has been going up and up every year. I believe it has been stationary or even coming down since I was in the service. In comparison with other countries in NATO I understand we are pretty well down the ladder. We are not carrying our weight to the same extent financially as we were ten years ago. We are now over half way down the list.

Mr. LANIEL: By doing this we have to shrink and shrink and to forget about the period ahead because we are trying to economize rather than look forward?

I think the servicemen are worried, because of this unification of command, that there will be a broader spectrum for civilians within the programming of defence in Canada while, at the same time, bringing this country in defence to the size of our possibilities.

Mr. CURTIS: I have no quarrel with reducing the size of the forces if that is necessary and if the finances are not available to do otherwise, but I do not think the proportion of money now being spent on administration is right. If we have a five year plan that will add $100 million to that spent already, our forces will be well equipped and will be kept well equipped, and that is something that is very important.

Mr. LANIEL: In what way do you say that we would look silly—or whatever term you used—in attending meetings of joint committees of NATO and other international forces? Is it a matter of sentimentality again?

Mr. CURTIS: No. If there is a naval conference one must send naval officers; one cannot send someone who knows nothing about the navy or the conference. To SACLANT, where they are discussing north Atlantic defences, one must send naval officers. To send someone who has no naval training is a waste of time, and one certainly need not send them.

Mr. LANIEL: We have had federal-provincial conferences many times, and the minister attends. Although he does not know the angles, he brings qualified personnel. They become quite constructive sometimes.

Mr. CURTIS: Yes, but I do not think it would be a happy and congenial arrangement to have other than naval officers at a naval conference. I think we have to have that if we are going to carry on and be a part of NATO and NORAD, where we have to take part.

Mr. PILON: Mr. Chairman, my main question has been answered.

I would prefer to deal with grass roots and other ranks than the illfeeling among high ranking officers. I believe in tradition; I believe in a lot of things, but we are living now in 1964 and I would like to make an allusion to the example you gave us a while ago concerning General Motors of Canada. A man who is helping to build an Oldsmobile should be getting the same salary as the man who is helping to build a Chevrolet.

That is all.

The CHAIRMAN: Mr. McNulty.

Mr. McNULTY: Air Marshal, I was interested in your observation that the United States are not thinking of integration. As Mr. Pilon has brought out, you made a comparison when you were answering Mr. Lloyd's question of the General Motors set-ups. They have a manager for Chevrolet, a manager for Oldsmobile and so on. I take it you were talking about the United States organization and not the Canadian General Motors set-up?

Mr. CURTIS: The Canadian General Motors set-up has managers or presidents for each of its industries.

Mr. McNULTY: But all these different units are manufactured in the same organization; they are integrated.

Mr. CURTIS: Are they not just assembled here?

Mr. McNULTY: The parts are made here.

Mr. CURTIS: It is because of size, is it not?

Mr. McNULTY: Is it not the same with our defence set-up?

Mr. CURTIS: No, where they are doing it all in one place they have a manager or president in one place. In General Motors they have a president in Oshawa, Ted Walker.

Mr. McNULTY: But there are different units manufactured and assembled there. I am just wondering if, because of the size of our country and the amount of money available, we do not have a completely different set-up than there would be in the United States and, necessarily, a different role to play.

Mr. CURTIS: If you were starting from the bottom and going up and building up our services, you could do it much more easily than when starting from the top and going down. If we were building new services it would not cause half the problem it does with our present organization where they have had tradition for years and years and years.

Mr. McNULTY: You are considering tradition and the set-up which they have had for many years; but the same applies to General Motors, who have to accommodate themselves now to automation. This is taking an entirely different look at the picture and the needs for the future.

The CHAIRMAN: Mr. MacLean.

Mr. MacLEAN (*Queens*): Mr. Chairman, I would like first to say that I missed the presentation given by the witness at the beginning of the meeting because I was attending another committee. Therefore, if I ask questions that have already been asked I would wish you to say so in order to eliminate repetition.

I have some concern, Mr. Chairman, that our National Defence Act is very sketchy; it has given wide powers to the chiefs of staff since some time during world war two and now gives wide powers to one chief of the defence forces. This being the case, it would seem to me that the total responsibility in a wide field rests with the chief of the defence forces as one man; and therefore any defence set-up is, by the very nature of things, going to be the plan of that man as an individual, to a greater or lesser extent.

We are going forward in perhaps a trial and error business to a certain degree. This being the situation, do you not think there is a danger that errors will not become evident early enough because there will be a tendency for the chief of the defence forces to defend his decisions, even in cases where there may be a difference of opinion on whether or not things are being done in the best possible way? For that reason, would it not be more sound to have a defence council with certain responsibilities charged to each member of that defence council by legislation so that if some segment of the defence situation is not up to par one individual will be responsible for that particular aspect?

Mr. CURTIS: I do not believe you could operate properly in that way. The officer in command has to have authority and responsibility. I do not believe that a committee would be of any great use in a military set-up such as this. The senior officer has to be responsible and bear that responsibility. However, he may make a mistake, and he would not be human if he did not make some, I suppose.

Mr. MACLEAN (*Queens*): Perhaps I have not expressed myself well. I was trying to compare or contrast the system we have in Canada with the system that is in use in the United Kingdom. I think perhaps the United Kingdom system has safeguards that we do not have in this regard.

Mr. CURTIS: I do not know about that. I do know they have given their chairman command over the three chiefs. They did exactly what I was suggesting that we do. But, I do not know of any other arrangements they had internally to protect them.

Mr. MACLEAN (*Queens*): I have a further question. Does the witness think it would be beneficial to have an inspector general of the forces or some other official who is technically qualified to pass judgment and who would have direct access to the minister in respect of the efficiency of the defence forces? The thing that concerns me is that non-professionals, as most members of parliament are, including the members of any government, find themselves in a difficult position when arguing against a plan or a course of action which is proposed by the defence forces because of the fact they have no technical advisers who are qualified to pass judgment on this plan other than the people who have created the plan, and human nature being what it is there may be a little prejudice involved.

Mr. CURTIS: We have had inspector generals in the services. Some countries have them and operate with them. However, my personal view is that they are not of much use. If they were on the staff of the minister, reporting to him alone, they might be of some use. But, the experience I had during the war is that they were not very good. I was not impressed.

Mr. MACLEAN (*Queens*): I want to go now to the administration of the Department of National Defence. When parliament votes supply and passes estimates for the defence department, large contracts, other programs, purchases and so on have to be approved finally by the treasury board before the purchases and other actions are taken.

Mr. CURTIS: Yes.

Mr. MACLEAN (*Queens*): How can the treasury board be in a position to pass a valid judgment on the sense or otherwise of such a proposal?

Mr. CURTIS: They have treasury officers in each department; these men are very active and very much in the picture in respect of all the costs. I think the defence department in every one of the services had treasury officers. Certainly the deputy minister's office has men. That is his job as well. But, they report to the treasury and advise treasury.

Mr. MACLEAN (*Queens*): I am aware of that. However, I think there have been cases in the past where treasury board has not accepted this advice and have contended that a certain proposed program by a certain department is not the best course of action. Therefore, you have the treasury board acting as a sort of super minister, if you like, and I take great exception to the philosophy that treasury board should have this power. I would agree that treasury board should have the right to say you must spend X number of dollars less but you should make the savings where you see fit. But, to say that a particular program is not going to be approved I think is outside of the reasoning and jurisdiction of treasury board.

Mr. CURTIS: I am very familiar with the troubles we have in getting our policies through treasury board and through the deputy minister's office. Financial people quite often have the faculty of delaying, delaying and delaying, and they take so long to look into things that half a year is gone before the authority comes through to spend your money, and the services then are blamed for asking for more money than they want. But, that is government; that is not the services.

Mr. MACLEAN (*Queens*): In the wide field then does it not boil down to the fact that you have to have the best men possible in the defence forces as senior officers, which I believe we have?

Mr. CURTIS: I think so.

Mr. MACLEAN (*Queens*): And, have had. I think as a country we have been extremely fortunate in this case. But then, in actual practice, does not any government have to rely upon their judgment in the final analysis and hope that they are right?

Mr. CURTIS: That is right, yes.

The CHAIRMAN: Will you proceed now, Mr. Temple.

Mr. TEMPLE: Air Marshal Curtis, am I correct in assuming from what you have said that if we have the chiefs of staff or advisers—let us say advisers to all the services—and then have one chairman of the chiefs of staff or one defence chairman that in a time of emergency it is better to have that one man, who may have called upon the others for their advice, to make the decision rather than have a prolonged debate between three or four people in respect of what is to be done.

Mr. CURTIS: I would say yes.

Mr. TEMPLE: Is flexibility a key word in the defence forces?

Mr. CURTIS: It is in the air force anyway and I think it is in the other services. But, that is one of the main foundation stones.

Mr. TEMPLE: As Mr. Lessard said earlier perhaps he cannot see much of a role for a fighter air force or bombers—that is, tactical—there could be conceivably situations aside from NATO commitments where we might put several thousand men into peacekeeping operations. In your opinion, would it be wise if we had several thousands of men in a peacekeeping operation and had no tactical air force for them?

Mr. CURTIS: It depends on the situation entirely; if there is any possibility of it breaking out into a larger show than peacekeeping you would need it.

Mr. TEMPLE: Not only that but if we had several thousands of men in a peacekeeping operation would it be wiser to have our own tactical air support or to have to rely upon one or another nation to supply that?

Mr. CURTIS: Now, you see, our peacekeeping efforts are not done in conjunction with the United States or the United Kingdom as a rule; they try to keep the smaller countries in that role. Therefore, it may be we would have to have an air support unit to back them up because if the United States was in they obviously would have air force personnel there.

Mr. TEMPLE: Have you had the opportunity yet to read the minister's statement to the committee in full?

Mr. CURTIS: Yes.

Mr. TEMPLE: Would you propose any changes to the present set-up of the armed forces?

Mr. CURTIS: Do you mean as outlined by Mr. Hellyer?

Mr. TEMPLE: No. Any at all.

Mr. CURTIS: Well, I do not quite get the question.

I have mentioned that I would like to see the chairman kept in his position, the three chiefs of staff remain and the committee under the chairman of intelligence and planners, and leave the rest of the organization with moderate changes. I do feel very strongly that the main big change we are making is not a technological change; I think it is a step backward.

Mr. TEMPLE: Am I correct in assuming that you would propose very few, if any, changes?

Mr. CURTIS: Very few unless the situation is changed and we are not going to have another war, so that our main role in the world is going to be a peacekeeping force. That would change it entirely. If there is no danger of war; if someone feels sure enough that we are not going to be engaged in another major war, then that changes the entire picture very quickly.

Mr. TEMPLE: Well, I believe you did say that one chief of defence staff, one man, a head man—

Mr. CURTIS: Yes.

Mr. TEMPLE: I will call him the chief of the defence staff; he would be much better able to make decisions, especially emergency decisions that had to be made.

Mr. CURTIS: Yes, I think that is right, but having three chiefs as advisers.

Mr. TEMPLE: Now, going into the matter of treasury, as you said, treasury officials investigate so often that half the year might have gone by before they are in a position to do anything financially. Would you agree then it would be a good idea to have a long range plan of five to seven years in so far as expenditures in respect of the procurement of equipment and manpower are concerned?

Mr. CURTIS: I would, yes.

Mr. TEMPLE: Thank you. Those are all my questions.

Mr. HARKNESS: Air Marshal Curtis, one of the propositions put before us so far as the proposed change is concerned was that there would be a great advantage in having one channel of military advice so far as the minister is concerned rather than the present four channels of military advice from the chairman of the chiefs of staff and the chief of staff of each of the services. Do you consider it an advantage to the minister in arriving at a decision—and, he is the one that has the final responsibility in important decisions—to have military advice from one source or would it be better if he obtained it from several sources?

Mr. CURTIS: I would think he should get it pretty well from the one source, but have specialists in the different services to support it because I am firmly convinced that no one man can give all the answers in detail. It is just not physically humanly possible.

Mr. HARKNESS: Then, what you are saying, in effect, is that it is better for the minister to get advice from these various sources than it is from one source?

Mr. CURTIS: No, from one source. He would have to go through the chairman and do it that way. But, I really feel that the chairman, if he has the authority, is that source.

Mr. HARKNESS: Well, let us say that you were still the chief of staff of the air force, would you be content to have advice in respect of air force matters coming entirely through the chairman or would you prefer to give it directly?

Mr. CURTIS: I would much prefer to give it directly. I think I could put my case better than the chairman could. That is my personal opinion.

Mr. HARKNESS: That is really the whole point I am getting at. My own view is that the minister is in a much better position if he gets advice from three or four sources rather than one source.

Mr. CURTIS: But I understand that one of the problems of the minister is trying to meet the requests of all three services in respect of expenditures—

An hon. MEMBER: Hear, hear.

Mr. CURTIS: —and their budget. And, that point has always been thrashed out during my time with the chairman, the deputy minister and the three chiefs around the table. I discounted that part of it. Things may have changed since I left.

Mr. HARKNESS: The main point here I think is that it is intedned to have really only one source of advice for the minister which, in my view, is a weakness rather than a strength. I think there has been some confusion, as evidenced by the questions here, in regard to the heads of the services. The proposal in the bill that we are considering is to do away with the heads of each service; there will be no head for the army, the air force or the navy, as the case may be, once this bill is passed.

Mr. CURTIS: That is right.

Mr. HARKNESS: And, this is the thing that you object to particularly. You feel very strongly that there should still be a head for each service?

Mr. CURTIS: I do, yes.

Mr. HARKNESS: Well, there are two things, in my view, that we are considering. One thing we are considering directly is the unification of command and the unification of staffs at national defence headquarters. In addition to that there is the matter of the extent to which the three services will disappear, with one service taking their place. What is your view in that regard?

Mr. CURTIS: I think we will lose more than we gain there. We are not going to save any money on uniforms. The rank does not matter so far as the air force and army is concerned. If they want to change the air force rank to army rank that would not worry the air force. But, I could not imagine a naval officer going on board ship and saying "good morning, colonel", to the captain. I think that would be difficult. But, I can see no problem there.

Mr. HARKNESS: Your view is that the maintenance of the three separate services would be an advantage and sort of lumping them all together into one would be a disadvantage.

Mr. CURTIS: Yes. I do not think this has been spelled out. It has been left up in the air. No one knows whether it is going to be one service with pink or green uniforms or three services, as we have now with the tradition and spirit of each of the services remaining to carry on. But, once they spell that out and tell us how it is actually going to happen that will settle a lot of problems for a lot of people in the field.

Mr. HARKNESS: You stated you were in favour of saving $100 million on, say, general administrative expenses, and putting that money somewhere else, it is not a saving but a matter of a transfer.

Mr. CURTIS: Yes.

Mr. HARKNESS: And, putting that into equipment, say, instead?

Mr. CURTIS: Yes.

Mr. HARKNESS: Have you any idea in what particular fields the reduction of personnel should take place?

Mr. CURTIS: I think I would rather not answer that question. I have an idea but I would rather not answer that. That is something which has to do with the different services and I would rather that was answered by someone in the services.

Mr. HARKNESS: Would you make a distinction in this regard between what I would call the fighting units and administrative units or personnel.

Mr. CURTIS: Yes. You have to have a certain number of administrative personnel; you cannot avoid that. But Parkinson's law applies there and you build up automatically at a terrific rate.

Mr. HARKNESS: Would you consider the most effective way of saving personnel and of getting perhaps a more effective organization would be by the integration of the administrative functions, by which I mean, of course, the medical services, the pay services, the repair of vehicles, the supply of food and so forth?

Mr. CURTIS: Well, could you have the same gain there? We amalgamated the chaplain services, and what happened? We got two air commodores, one a protestant and the other a catholic superimposed on the group captains who had been there before. So we reorganized the chaplain services and made a great saving by adding two senior officers to it. We amalgamated the medical service, which might have had a lot of benefits in the field, but again we put a major general at the head of the medical services where we had had air commodores and brigadiers before.

Mr. HARKNESS: That is an example of Parkinson's law.

Mr. CURTIS: Well, I am afraid that is what you get into with a new organization.

Mr. HARKNESS: Generally speaking do you feel that there is a better opportunity to save personnel by the integration of these administrative functions rather than by attempting to integrate new units?

Mr. CURTIS: I would say definitely that you could have quite a savings, let us say, in signals, for instance, if you had all your communication systems grouped in one command.

Mr. HARKNESS: I think there is no doubt about it, that there is in this the greatest possible saving of personnel without loss of efficiency, and with perhaps an increase in efficiency. That is as at least a theoretical position. Whether it is practical when carried into effect is a different matter. It depends on how you do it.

Mr. CURTIS: All these things are aside from the fighting forces. If military people are supposed to be prepared to fight, you must keep their spirits up and motivated, and not let them be frittered away.

Mr. HARKNESS: I thoroughly agree with you that you must distinguish between the fighting unit and the administrative unit and its functions. From the point of view of morale which you mentioned, I take it from your experience and the conversations you have had with the people with whom you have been in contact, that this led you to the view that there has been a very considerable loss of morale?

Mr. CURTIS: Everyone is worried. Morale is starting to go, yes.

Mr. HARKNESS: And you think this mostly has been due to a great extent to uncertainty as to what the situation will be in the future?

Mr. CURTIS: I cannot speak very much for the army because I have not talked to many army officers and to any troops at all. I do not know what their view is really; but I have spoken to senior naval and air force officers and to retired naval officers, and that is where I am basing my statement.

Mr. HARKNESS: Would you place uncertainty on lack of information as to what the planning is to be as the chief cause of this?

Mr. CURTIS: Yes, that and worry about losing their identity.

Mr. HARKNESS: Well, I must say that my experience has been very much the same as yours. I think anybody who has any considerable military back-

ground and experience is bound to have a lot of people talking to him about these things. Certainly I have. There is no doubt that there has been very considerable loss of morale, and I think there is no doubt that it is due to this uncertainty. In order to prevent further deterioration of morale, I think the sooner something definite can be done about it, the better it will be. Would you think that as long as the present situation continues there might be considerable loss of the best and the brightest officers in the service?

Mr. CURTIS: I would think so, and I would think that a lot of our technical officers can go outside and earn twice as much money as they are getting in the service. I would not be surprised to see them start to go and take jobs which offer pay better than they can receive in the service.

Mr. HARKNESS: I am very much afraid not only about technical people particularly but also about the actual fighting units and those in command positions and so on who are sufficiently able that they can get jobs quite readily in civilian life and they will be doing this in large numbers unless the present situation is cleared up.

Mr. CURTIS: That is my feeling, yes.

Mr. HARKNESS: There has been a bit of talk about roles here, and I think there must have been some confusion between Mr. Lessard and the others as to what our military roles are to be. I would refer to the first 15 pages of the white paper issued, which laid down very definitely that the roles are going to continue in practically the same way as they have in the past several years; in other words, that we are going to continue to maintain forces in NATO and NORAD and to have them available for peacekeeping operations under the United Nations for the protection of Canada and so on, and that the general composition of the fighting forces is to remain more or less as it has been. I am talking about the fighting units.

Mr. CURTIS: I understand.

Mr. LESSARD (*Lac-Saint-Jean*): Do you agree with the point of view expressed by Mr. Harkness?

Mr. CURTIS: Yes, I read it, and I believe that is where it is supposed to be or is going to be.

Mr. HARKNESS: Now, in connection with what Mr. Lessard mentioned of what is to be our chief role for peacekeeping operations, is it your understanding, that it is our chief role?

Mr. CURTIS: No, I think it is an active side role where we really are doing a lot of good with a few men.

Mr. HARKNESS: In connection with the discharge of that role, do you think it is possible to discharge it unless you have well balanced naval, ground and air forces, in which a variety of military skills of all kinds is to be found?

Mr. CURTIS: So far they have been in parts of the world where they have not required any fighter support, any air force support other than transport.

Mr. HARKNESS: No.

Mr. CURTIS: And in that case I think we have done a good job in furnishing air transport. But the air force must be very mobile and must be trained in going to all parts of the world to be able to get into these places and do a job. I think they have supported the army very well in that way.

Mr. HARKNESS: I was not thinking of what role the air force has played in the past particularly. I was thinking generally, in order to meet any requests which we might receive from the United Nations for peacekeeping operations, and that every request we have received so far has been different.

Mr. CURTIS: Yes.

Mr. HARKNESS: There has not been any request which was the same as a previous one, and in order to be able to meet requests which may be of almost infinite variety, is there any way to do it except to have a pretty well balanced and flexible force?

Mr. CURTIS: It has to be a force in being.

Mr. HARKNESS: Yes, in being.

Mr. CURTIS: Yes, there is no other way of doing it.

Mr. HARKNESS: I think that is the point. That is the only way you can carry out any peacekeeping operation.

Mr. CURTIS: Yes, the forces have to be available, and ready to be sent immediately.

Mr. HARKNESS: And the forces must have a variety of capabilities.

Mr. CURTIS: Yes.

The CHAIRMAN: Now, Mr. Deachman.

Mr. DEACHMAN: Air Marshal Curtis, when you were chief of the air staff you said this morning that you met with the chief of staff and the chiefs of the staff committee and with the deputy minister and thrashed out budgets?

Mr. CURTIS: That is right.

Mr. DEACHMAN: I believe also you yourself had access to the minister?

Mr. CURTIS: Oh, yes.

Mr. DEACHMAN: On what matters would you have access to the minister? What problems would come up in the main as to which you would have discussions with the minister?

Mr. CURTIS: Oh, the minister always has a lot of questions. He receives hundreds of letters from constituents and from different people, and the chief of the air staff is called in to give him the answers. I do not know if I could offer you a specific case now. But he would want to know different things about the air force, what we were doing here, what we were doing there, what we were planning, and he would send for the chief and discuss it with him.

Mr. DEACHMAN: Referring to the word planning, would you be called in for instance to discuss your budget, or your whole departmental program?

Mr. CURTIS: No.

Mr. DEACHMAN: You say you would not?

Mr. CURTIS: No.

Mr. DEACHMAN: Or your individual budget, this would never be brought up between you and the minister?

Mr. CURTIS: No.

Mr. DEACHMAN: He discussed the budget with the chief of staff committee? Did he attend that committee?

Mr. CURTIS: He discussed it with the chiefs of staff, but he would not attend that committee.

Mr. DEACHMAN: You say that he did not attend that committee?

Mr. CURTIS: No.

Mr. DEACHMAN: This discussion of the budget would be between the minister and the deputy minister and between the minister and the chief of staff?

Mr. CURTIS: And the chairman of the chiefs of staff.

Mr. DEACHMAN: And the chairman of the chiefs of staff, but you would not yourself be concerned in the matter of discussing the budget with the minister?

Mr. CURTIS: No.

Mr. DEACHMAN: The problems which you would discuss with the minister would be those relating to inquiries in regard to some incident or something in the branch?

Mr. CURTIS: That is right.

Mr. DEACHMAN: Let us take the case of new weaponry, or something of that kind. Would you discuss a matter of that kind with the minister?

Mr. CURTIS: Yes, I would brief him, and usually I would advise of the advantages or disadvantages of certain aircraft, or of plans of what we were doing in Europe, France, or Germany, in our bases over there, just to keep him generally informed.

Mr. DEACHMAN: To what extent would you initiate conversations with the minister?

Mr. CURTIS: Oh, quite often, if there was a problem, on which we wanted a decision, I would have an appointment and go in and discuss it with him.

Mr. DEACHMAN: What kind of problem would arise in which you would initiate an interview with the minister? Can you recall any plot or class of problems which might require your initiation of an appointment rather than his?

Mr. CURTIS: No, but there were plenty. Many times I have even gone in and discussed something on which I wanted to get his view.

Mr. DEACHMAN: How often? When you say "plenty", how often would this arise? Would you be seeing the minister weekly?

Mr. CURTIS: Certainly every other week. Sometimes it was weekly, and sometimes two or three times a week. Other times it would be two or three weeks.

Mr. DEACHMAN: The other chiefs, the C.G.S. and C.N.S. would be doing the same thing?

Mr. CURTIS: Yes.

Mr. DEACHMAN: So we would expect that the minister would have anywhere from three to half a dozen visits a week on matters from each of the service chiefs?

Mr. CURTIS: I do not know if he would have quite that many.

Mr. DEACHMAN: As a sum total?

Mr. CURTIS: He might have from three to six a week.

Mr. DEACHMAN: You say from three to six a week from the service chiefs?

Mr. CURTIS: Yes.

Mr. DEACHMAN: And these would be concerning various matters and dealing with these particular services?

Mr. CURTIS: Yes.

Mr. DEACHMAN: And then in addition to that there would be the chairman of the defence committee, and his interviews with the minister would be on a more frequent basis, would you say?

Mr. CURTIS: Yes, that is right.

Mr. DEACHMAN: Do you recall if there was any discipline within the chiefs of staff committee as to what matters would be referred to the minister and how they would be referred to him?

Mr. CURTIS: No, there was not any.

Mr. DEACHMAN: Did the minister on any occasion indicate to you, or was there any communication to the committee, that there were too many visits going on with the minister and too much of his time was being occupied by this, and that other channels might be more available for handling them?

Mr. CURTIS: No, there never was. Our meetings would usually be of ten to fifteen minutes time in length. They were not much longer except occasionally when something was important. They were short meetings.

Mr. DEACHMAN: Thank you. I think I have covered everything I wanted.

The CHAIRMAN: Now, Mr. Smith.

Mr. SMITH: Having listened to the discussion and having read fairly widely on national defence matters it seems to me that one of the minister's chief problems both in the past and in the future is to get a proper evaluation of the competing plans of the various services, or, in certain cases, of various weapons. In the United States in the past it has developed into great lobbies. I do not think Canada has been entirely free from lobbies by the proponents of one weapon or another. Do you think in this proposed reorganization there is anything which indicates to you that the minister will get a better or a more dispassionate analysis of the schemes put forward by the proponents of various weapons?

Mr. CURTIS: I should not think so. You are not going to stop lobbyists from coming in and lobbying and putting their wares before the minister in the best light they possibly can. There was one comment made about this among the senior officers which to my way of thinking has been overplayed or over-estimated. I am a very good friend of every chief I was with, who was my opposite number when I was chief. I see them quite often. I believe it is just the same with members of parliament who battle away, but when they get out of the house they do not carry the fight with them. We battled and criticized each other, but I think that it has been overplayed by the press and by the public.

Mr. SMITH: As you probably know, in the United States department of defence there is a branch which is fairly completely or theoretically completely divorced from the armed services. It is called systems analysis, and it attempts to evaluate matters economically and militarily.

Mr. CURTIS: Yes.

Mr. SMITH: Do you think that such a branch or department in the Department of National Defence, even on a small scale, would be a good thing for Canada at all?

Mr. CURTIS: I do not think we have enough new developments and new equipment to warrant it. If we were building submarines, ships, these new types of armed fighting vehicles, and new escorts in any quantity, it would be another matter, but we are not. I think it would be an expense which would cut away from that $100 million.

Mr. SMITH: My final statement is this: Do you think that some of the criticism of the present bill would be corrected if a defence council with certain definite statutory responsibilities were set up and in which the chiefs of land forces and the chiefs of the air force and the chiefs of the sea forces had a certain definite responsibility and place?

Mr. CURTIS: There was a defence committee and it worked. While I was there we had quite a number of meetings, probably once a month or once every two months. It was a very important committee.

Mr. SMITH: Perhaps I am being a little too technical, but it has no statutory or legislative responsibility.

Mr. CURTIS: No, but would that make it much more effective? It comes up through other departments to the minister in the long run.

Mr. SMITH: That is all. Thank you.

The CHAIRMAN: That completes the questioning, gentlemen.

Mr. McMillan: Before you adjourn, Mr. Chairman, I would like to ask the air marshal a question.

Air Marshal, you agreed with Mr. Harkness that diversified forces should always be available. Under the new arrangement do you think they would not also be available?

Mr. Curtis: I do not know what the new arrangement is. It is so nebulous and so far off in the far blue yonder that I do not know. From some of the remarks that were made I have a feeling that what is emerging from this is the thinking that you have ground forces and will not need anything else. That is what I think from two or three remarks that have been made. If that is the decision, it is a surprise, but—

Mr. Temple: I am sure that is not in the white paper.

Mr. Curtis: No, it is not in the white paper but some of the remarks from around the table led me to believe the thinking was going in that way.

Mr. McMillan: But that is not in the white paper?

Mr. Curtis: No.

Mr. Harkness: Mr. Chairman, I have one point following on what Mr. Deachman said with regard to the preparation of the budget, which I would like to see clarified. I think perhaps the impression was left that you, as chief of defence staff, had no talks or conferences with the minister about the budget. I do not think you perhaps meant to leave that impression.

Mr. Curtis: No, I did not.

Mr. Deachman: I am quite sure you had considerable numbers of discussions on the air force budget with the minister, the chairman, the deputy minister and other chiefs present, or perhaps just yourself and the chairman, the minister and the deputy minister, and so forth.

Mr. Curtis: We did, but I did not put a program in front of the minister and say, "May I have your approval of this?" We discussed—

Mr. Deachman: You had a great many discussions on this topic?

Mr. Curtis: Yes; he was right in the picture.

Mr. Deachman: I thought that perhaps the impression was left that you had no discussion at all, and this I wanted to clarify.

The point I wanted to bring out particularly was this: Do the chiefs of the forces each go in to see the minister alone or with members of their own staff but not with others present?

Mr. Curtis: On occasion.

Mr. Deachman: And they discuss the budget in that way?

Mr. Curtis: On occasion.

Mr. Deachman: And do they, for instance, present their ideas on what they will require for the budget for that particular services?

Mr. Curtis: They have done that.

Mr. Deachman: So this does take place?

Mr. Curtis: It does.

Mr. Deachman: Was the budget thrashed out among the chiefs at the committee level?

Mr. Curtis: The minister never made a decision and said, "You can go ahead and do this."

Mr. Deachman: I had realized that, but the presentation of your own program could be made by you directly to the minister?

Mr. Curtis: Not in detail but in a general way, yes.

Mr. Deachman: In a general way?

Mr. CURTIS: Yes, but not in detail.

Mr. DEACHMAN: So the minister was the recipient of three separate programs on three distinct occasions from three separate services?

Mr. CURTIS: Not as a general rule. Over the year we would discuss things, but when we came to the final discussion of the budget it was always done with the chairman and the deputy minister.

Mr. DEACHMAN: I have one more question. Did you consider it in your interest to have the ear of the minister to explain your program in general terms?

Mr. CURTIS: Yes.

Mr. DEACHMAN: And each service chief would feel the same?

Mr. CURTIS: Yes.

The CHAIRMAN: That completes the questioning.

Before we adjourn, I would like to remind the committee that we will be meeting at 3.30 or immediately after Orders of the Day in this room. General Macklin will be the witness. We will also meet at eight o'clock this evening in this room with the Minister.

I wish to thank the witness on behalf of the committee for attending, particularly in view of the fact that he was not feeling up to his best today.

We will now stand adjourned until 3.30.

AFTERNOON SITTING

TUESDAY, June 9, 1964.

The CHAIRMAN: We now have a quorum, gentlemen. We are resuming our discussion on Bill No. C-90. Our witness this afternoon is Major General W. H. S. Macklin, (retired). General Macklin will give a statement after which we will proceed with the questioning.

Major General W. H. MACKLIN (*Retired*): Mr. Chairman and members of the special committee on defence, I first wish to thank you for asking me to come here and give you my views in respect of Bill No. C-90. Having regard to my qualifications, I will give you a very brief resume of my military career. In the first war I served in the ranks of the infantry for some three years when I was between the ages of 16 and 19. I managed to put in about a year at the front. I then graduated in electrical engineering and because there was no market for engineers, I joined the Signal Corps as a lieutenant in 1925. Then I attended the staff college in India for two years between 1933 and 1934. I was attached to the air force for a year and joined the general staff in Ottawa. I held a large number of staff appointments in peace and in war in three large headquarters. I spent all told about 13 years here at army headquarters in Ottawa, and had many dealings with the Chiefs of Staff committee, and with the Ministers of Defence and the Deputy Ministers. During this period I served in all ranks from Captain up to Major General. I think that is enough of my military background.

I listened with great interest to the Air Marshal this morning, and this afternoon I intend to put to you a view which is diametrically opposed to what he was telling you this morning. I will say at once regarding Bill No. C-90, that I think this bill when enacted will just about represent the most important and far reaching reform in the controlling organization of the armed forces we have ever had. I shall comment on the bill in more detail later.

First, I would like to give you a bit of the history in respect of what has gone on in the defence department since the second world war. I do not

think you can look at Bill No. C-90 objectively unless you have some idea of how the existing system has worked. That is what did not come out this morning. There was a good deal of talk about the terrible effect this might have on the armed forces. It certainly will be a shock to a good many people in the armed forces; but I do not think this is what matters. The question you have to decide is, is the system which the air marshal wants to perpetuate, with a few changes in the powers of the chairman of the chiefs of staff, and a few other changes, one which works, and do the taxpayers get value for their money? I say it has not worked, and they had not had value for their money.

The defence department has been in a mess ever since the second world war, and there are various reasons for this. I intend to give you the history of the thing as I see it. I am not so conceited as to pretend to know all the answers in respect of defence organization; but I studied defence and war in all its aspects for many years; I worked here in the defence department, and certainly know how this department works.

I have studied carefully the white paper which was issued last March. It is far superior to any of the two or three such documents which preceded it, all of which were useless. This is a much better piece of paper than anything that went before it of the same sort. However, I think this white paper still reflects certain deep-rooted misconceptions regarding the nature of war and of the armed forces needed to keep the peace or to fight if peaceful efforts collapse.

For example, dealing with the post-war reorganization, the paper says that the navy and the air force achieved real, rather than nominal equality with the army. It adds that this reflected the lessons of the second world war regarding the importance of air and sea power. With all respect to the drafters of this statement, let me say that in the British army staff colleges, where Canadian staff officers were trained between the wars, air power and sea power were stressed every working day. Even before the second war there was a belief in Canada, widely held in Britain too, that by some miracle an air force might win a war without the awful bloodshed of the first great war. In April 1939, a scant four months before the outbreak of war, Mr. King told the house that the days of great expeditionary forces were over. I often wondered if he recalled that on D-day, five years later.

Our army, if not our statesmen, was well aware before 1939 that it could go nowhere outside Canada without sea power, and could not hope to fight without adequate air support and sometimes sea support too, as on D-day. We knew that.

So it did not really need any lessons from the second world war to drive home the vital importance of sea and air power. Actually, one of the principal lessons of that war was, or should have been, that, vast as were the achievements of the air forces, they were scarcely equal to the truly stupendous efforts, industrial, financial, and military that were invested in them.

The paper goes on to say that there was a general belief that Canada's contribution in a future war could best be made in the air or at sea. Here, of course, the wish was father to the thought, since it had been the army's manpower troubles that brought on the political crises of 1917 and 1944. If you could only avoid that, how nice that would be.

I must say that after the war I never heard much about concentrating on the navy. The whole emphasis was on the air force, called the weapon of the future. That this is true is proved by the fact that for over a decade we have spent a lot more on the air force than on navy and army combined.

Ten years ago, anyone who ventured to question the future supremacy of the air force was regarded on all sides as a fossil, or a blimp, or just a plain old fool.

You will note that this paragraph of the white paper refers to a future war and does not mention peacekeeping at all. But the prevention of war is as important as the winning of war if it starts. We have to plan for both, as the paper says elsewhere. In the role of peacekeeping it has been the army which has predominated—in Kashmir, Indo China, Suez, Congo and Cyprus.

Also, in the greatest war we have had in our history, barring the world wars, I mean Korea, the army predominated overwhelmingly.

We sent at least 20,000 men to the war. We had about 500 killed in action and about 2,000 wounded. The navy kept three ships in the theatre throughout the war but the costly air force did not and could not put a single unit into the war theatre because it had neither the aircraft nor the crews for the job and had to confine its efforts to a small airlift in North Stars to Japan.

At this point I suggest to you that although there has been some talk of sea power and ten times as much about air power hardly anybody has ever bothered to produce an accurate definition of the meaning of those terms in order to determine if our existing forces can produce sea and air power. I will define these expressions for you as I see them.

Air power simply means that ability to use the air for our own purposes while denying its use to the enemy. Sea power means exactly the same thing with respect to the use and denial of use of the sea.

I should like to point out to you that the terms air power and sea power are not synonymous. We have had a multibillion dollar air force for many years but I hope to show you that this air force has never at any time since the war wielded any significant air power commensurate with its enormous cost because the airmen and statesmen alike were obsessed by the heady concept that the air force alone could win wars and the armies, and maybe the navies too, were obsolete. They deliberately set out to build an air force that would be good for air warfare and good for nothing else. The national defence department and successive governments acquiesced in this policy.

No plans at all were made for aircraft to support the army in battle. Why should we bother if the army is to be done away with anyway? The air force did not much relish the truck driving aspect of air transport and tended to do as little as it could.

Moreover, this country had decided, quite rightly, to make no nuclear bombs and, anyway, even in spite of the vast sums allotted to it, our air force simply could not have afforded great modern bombers at ten or twenty millions of dollars or more apiece. They could not afford that so it came about that as far as fighting aircraft were concerned the air force plumped for the type known as the jet interceptor which was designed to destroy manned bombers. As you know, for over a dozen years they have devoted enormous proportions of their huge budget to these aircraft and to the elaborate and costly air bases and ground equipment needed to operate them. As you know, we had nine squadrons of these in Canada and twelve in Europe. I submit the brutal fact is that these jet interceptors as a type were stillborn weapons and obsolete before they ever got into service in our air force in 1948 or 49. In other words, these interceptors never could perform the military functions for which they were designed.

You heard the air marshal talking about the Arrow this morning, suggesting that it could, he said, go to 50,000 feet and fly 1,400 miles an hour. He said it was a wonderful machine and it was, but what good was it? Could it have done the job it was intended to do? The answer to that question is, no it could not. It does not matter how high it can fly, how fast it can go or how far it can go, it still could not prevent the Russians from dropping a nuclear bomb on Ottawa if the Russians decided to drop it. Therefore, it was an obsolete and worthless weapon, and all of the interceptors have been in the same category.

Two new inventions rendered these aircraft obsolete. The first was the rocket missile and the second was the nuclear bomb. As for the missile, I would point out that some four years before our air force had its first interceptor into service the Germans had launched 1,600 rockets into London from a range of 230-240 miles. The interceptor never even pretended to cope with the rocket and the rocket was four years ahead of the interceptor. The first nuclear bomb was dropped on Japan about three years before we had interceptors. The nuclear bomb was not then something as slight in definition as former weapons but was of a force of a new order of magnitude. This bomb was not five, ten or twenty times as big as its larger predecessors but at least 2,000 times as big as a ten ton bomb and only a baby compared to the hydrogen bomb which is a force measured in megatons, and nothing will stand against it.

As you know, of course, nuclear bombs were carried in bombers and still are. Increasing reliance is placed on the missile carrier, and the President of the United States said one or two days ago that the United States now has more than a thousand of these intercontinental missiles, and the Secretary of Defence said the United States now number their nuclear devices in the tens of thousands.

The cry for many years has been that the bomber remains a threat so we must have a defence against it. We never have had such a defence. The argument is completely fallacious because it would take about six hydrogen bombs accurately landed on our cities to destroy this country as a political and economical entity. Our so-called air defences have never been able to prevent Russia from delivering such bombs since Russia had them and the bombers to carry them, not to mention the missiles.

I should like you to look at the civil defence exercise Tocsin "B" which was conducted two or three years ago. This envisaged an attack by some 30-odd bombers and a few missiles, and at the end of it it was solemnly announced that some seven important cities were destroyed and over 2,500,000 people killed with about 1 million injured. That was the official word out of the defence department and I would not call that defence.

I remind you as well that NORAD about which we hear so much is not an air defence for Canada but a creature of the United States strategic air force and its primary purpose is not to defend Canada at all but to defend or to attempt to defend the bases of the strategic air force. It has been called the air defence of Canada, but that is just to fool the public.

It has been admitted again and again by the most responsible statesmen that nuclear war would be suicide. The present Prime Minister when accepting the Nobel peace prize said it would bring the "Peace of Extinction". The British white paper of 1958, of which I have a copy here on the table, spoke of "The Balance Terror of Mutual Annihilation". Mr. Khrushchov has repeatedly said that a nuclear war would make no sense and has quarrelled violently with his former Chinese ally on this point. When the Chinese said that the United States is a paper tiger Mr. Khrushchov said that it was a paper tiger with nuclear teeth. He does not want to be destroyed.

If you cast your mind back to the U-2 incident you will recall there was a lot of fuss made about whether that plane was shot down or fell down. It does not make much difference. The point is it did get to the middle of Russia and was only one of a number of aircraft that have crossed Russia. So much for the discussion of what Russia has in the way of air defence.

You must accept the fact that this bomb is intended as a deterrent and cannot be used to wage a war without producing an over-all holocaust. It has proved impossible up to date to produce a military defence against it, and the NORAD system is simply a hopeless attempt to project the methods of the Battle of Britain into the age of missiles and nuclear bombs.

Look how inconsistent we have been in this business. There were twelve defence squadrons of interceptors in Europe and suddenly with no explanation or debate it was announced that four would be disbanded and the other eight rearmed with a totally different type of offensive aircraft. They would have to be fitted for nuclear rockets. How was this complete revolution possible if the interceptors were needed and were any good? We just washed them out without a word of explanation and replaced them with something totally different. If that is consistency, I do not know the meaning of the word.

In pursuit of their obsession the R.C.A.F. have run through a whole family of interceptors, and always complained that the one they had was out of date. All I can say is that they were all out of date the whole time. There was the Vampire, the CF-100, the Sabre, and the Voodoo. Then there was the luckless Arrow that never got to the service. Some of these aircraft, certainly the CF-100 and the Sabre, ran through a whole series of versions, or marks. There were five marks of the CF-100, but mark V was never put into service because there was no armament for it. Billions of dollars were squandered on these aircraft, and now all but a handful of them are scrap.

Let me turn to the navy, and sea power. I want to say this: In spite of assertions to the contrary that have lately been made, I, for one, believe that the navy is technically efficient, and I do not think we should forget that the admirals who have been castigated in some of the magazines and in the press were the sea captains who won the terrible battle of the Atlantic, and we owe our survival to them and their like. They cannot be as stupid as they have been made out to be. However, the question is: Why do we now have a navy, and what is it now supposed to do? For centuries the chief function of navies was to protect trade. In the words of the naval prayer, it was to guard "those who pass on the seas upon their lawful occasions".

Our navy has always been an antisubmarine force. During the second world war we knew exactly what it was doing. It was convoying cargoes across the seas. The submarines which it was hunting and killing were aiming their torpedoes at those cargoes. But now, in 1964, as far as Canada is concerned, we have no ships to convoy. Our merchant marine, which was large in 1945, has utterly perished long since.

In 1956, we had to send a force to Suez. It was so small that I would say that Champlain might have lifted it in his canoes. Yet the air force could not lift it, and the navy in Canada did not have a single sea transport to take it. For political reasons it was impossible to charter a British ship at that time, and they did not want to get the United States mixed up in this either. So how did we solve this problem? We disarmed a multimillion dollar aircraft carrier, the only one we had, and we turned it into a transport that a swordfish might have sunk, and we sent our troops and our transport in that. That was a poor way to treat a costly warship, and it left the navy without the services of its carrier for six months in a time of crisis. That is the sort of defence that you have been getting for $1,700 million a year.

Russia has hundreds of submarines. The advent of some armed with nuclear missiles was forecast in one of the previous white papers several years ago. More and more our navy has been quietly turned, without debate, towards the task of hunting nuclear-armed submarines. This task is just as hopeless in its way as that of the jet interceptors, because if the navy could sink nine such craft and the tenth landed its bomb on Halifax, that would be the end of the navy, and of Canada, too. I cannot stress too often that there is neither naval, air nor land defence against the hydrogen bomb.

Since Canada is one of the world's great trading nations a case could be made for the re-creation of a sizable merchant marine. The money we blew on the Arrow aircraft alone would have subsidized a large merchant fleet for 20 years. It seems to me incongruous, and even faintly humiliating, that we can-

not send forces abroad without chartering somebody else's ships, or disarming a warship. This does not emphasize our trumpeted independence. In short I say, with respect to the navy, that its role should be re-examined in the light of what is possible, and when that role has been determined with accuracy and assurance, the navy should be equipped to fulfil it.

I will now speak very briefly of the army, with its two elements, militia and regular. The axe is about to be put once more to the militia, and much has been made these last few days, of the fact that some of its units consist of two officers and six men. I tell you, the reduction may be wise and it may be necessary but I want to say here that having regard to the way the militia has been treated by government and by the press and the public since the second world war, it is a miracle that the militia has survived at all. It has been organized and re-organized times without number. You would almost need an electronic computer to add them up. It has been mocked and scorned by politicians, press and public alike, as being obsolete and useless. It has been insulted by such vandalisms as the destruction of the historic University avenue armouries in Toronto and by bulldozers to build a new law school. I ask you: Who would join an organization so poorly regarded? In fact, it has survived as always by the unrewarded patriotism of a handful of people, and it has not been as worthless as most people believe.

In 1950, when we had to raise a brigade for NATO in a hurry, we only could do it by basing its mobilization on the militia, and in no other way could we have raised it so quickly.

If the militia is to be retained at all, my contention is that it should be supported and encouraged, rather than be treated as it has been treated, because it is a poor thing to keep a dog just to keep kicking it. The regular army which was only 20,000 strong at the time, contributed heavily to the Korean war, and maintained the NATO brigade for many years.

I will outline what I think are the chief defects of the regular army. First, there is the obsolete nature of some of its equipment, for instance the armoured carriers. You know the sad tale of the Bobcat. That had the longest period of gestation of any animal known to natural science. It then proved, like the interceptor, to be stillborn. The second defect is the lack of air transport. I think the brigade in Germany has, or will have, a dozen helicopters, which is pretty meagre. With that recent exception, the defence department has resolutely refused to give the army its own air transport, and the air force never got around to producing any for it. For years we kept a parachute brigade at immense cost, and never did we have it airlifted with its equipment. I do not know what is the present status of that formation. In Korea we depended upon the United States for tactical air support and even to lift our wounded off the battlefield. I visited that front as adjutant general, and I had to borrow a United States helicopter and a British light aircraft to see the troops. When we sent a battalion to Cyprus a few weeks ago, there was not enough airlift for its heavier equipment, and so it went into that hostile island, half equipped and half armed, and waited two or three weeks for the rest of its armament and equipment to come by sea. What a risk that was to subject Canadian soldiers to. That is the state of your defences in 1964. You cannot even move one battalion with its equipment. The 12 helicopters will not be enough, and for the most part the NATO brigade will be as glued to the ground as was Caesar's legions. Doubtless it would be more economical to have the necessary air transport provided by the air force. The criterion must be that it shall be permanently and absolutely under the control of the brigade commander, even as are his motor trucks, or his wheelbarrows—what is the essential difference between an airplane and a wheelbarrow; they both are carriers.

The third defect is that there are absolutely no reserves of any kind anywhere behind the formations of the regular army. If the NATO brigade got into

a battle, it would be into a manpower crisis in no time. You might as well try to operate the O.T.C. without spare parts. It would soon come to a grinding halt.

I believe it was a major error to commit the regular army to civil defence, apparently because local authorities just declined to take on the job. This is akin to a plan to send your police forces and fire brigades to the war on its outbreak. That would not be considered very sensible. It is sure that the army cannot fight and do civil defence at the same time. It seems to me that there are two or three jobs lined up for every soldier when the emergency happens.

Well, gentlemen, that is a brief and incomplete review of the record of our forces since the second world war with emphasis on the defects. In that time we have spent perhaps $20 billion and a huge percentage of this has been sheer waste. Defence has been a heavy burden on the economy, but has produced very little actual protection for our cities and our citizens. I say no child has slept safer in bed because of our colossal investment in jet interceptors.

This result was partly because of governmental obsession with the concept of a supreme air force which was shared by most of the public, which would, if accurate, solve all manpower problems, but it came about largely because of the incredibly clumsy and ineffective method of controlling the armed forces at the top.

To start with, we had in 1946, the chiefs of staff committee, consisting of the three service chiefs. Getting agreement on any matter of importance from these competing chiefs was hard enough, and rarely accomplished, but the government soon compounded the problem by adding two members to this committee who were civilians, and not chiefs of staff at all. There was the chairman of the Defence research board, a scientist, and the deputy minister, a civil servant.

Here you had a good example of the dangerous practice of giving men power without responsibility, an attribute ascribed to the famous harlots of Babylon. For these two members, while not responsible for the efficiency of the forces, could argue, delay and frustrate propositions advanced by the chiefs, or by any chief.

A few years later, to add to the confusion, and make the committee still more ineffective, there was appointed a chairman of the chiefs of staff committee, with rank, you will note, one above the chiefs themselves. He was a general and they were a lieutenant general, a vice admiral, and an air marshal.

If you will carefully read section 19 of the Defence Act, printed in the notes to Bill No. C-90, and to be repealed, you will find it completely incomprehensible; it makes no sense.

For here is an officer, senior to all the chiefs, sitting as chairman of the chiefs' committee, co-ordinating both training and operations of the forces, and doing whatever else the minister tells him to do.

Yet the act says each chief remains responsible for the control and administration of his own service, and all four of these officers, as well as the two civilians, have direct access to the minister. The result could only be confusion and chaos and conflicting advice to the minister. Whose advice is he to take? The only committee of that sort I heard of which ever accomplished anything was the committee which produced the King James version of the Bible.

In practice the chairman was a super chief of staff, but again without responsibility if one service broke down. He was the real arbiter of the advice on defence policy tendered to the government. Whatever section 19 was intended to mean, this chairman wielded immense power. I noted this for years.

Below this clumsy, wrangling, six man committee there has been a whole cascade of subcommittees, dealing with such matters as manpower, pay, supplies, and a host of other details. I was a member of a number of these for five years, and I wish to tell you that these committees worked in an atmosphere of frustration, for as often as not when some proposal appeared on the agenda some member would announce that his chief did not agree, and that ended discussion. And if a sub-committee produced a proposal that some chief disapproved the member concerned incurred the wrath of his superior. So effective and constructive work by these committees was almost impossible, and the time they wasted will never be reckoned.

Then, in all the realms of training, intelligence, planning, procurement, and administration, there has been unnecessary and grossly wasteful triplication of staffs. In recent years the medical and chaplains' services were unified. I doubt if the health or the spiritual welfare of the forces has suffered as a result.

Finally, and I shall comment more on this later, there has been superimposed on this triplicated service organization, a gigantic, and largely superfluous, civil service. This has added huge sums to the overhead, and its main result has been to hamper, delay, and even veto all sorts of projects.

So there you have it; some $20 billion spent since 1950. We have got for it three armed services totally independent of one another. They can neither co-operate effectively, nor fight together. The fighting element of the R.C.A.F. is strapped to the U.S. strategic nuclear air force. The navy has no merchant ships to convoy. The army has outworn equipment, no air transport, or very little, and no reserves. It is immobilized to a dangerous degree.

This doleful situation is the outcome of several factors. For one there has been the belief in the supremacy of air forces. For another there was the outworn concept that in some way, sea power, land power, and air power can be regarded as separate entities. They are not. Actually it is hardly possible to win a dog fight without the participation of at least two, and often all three of the armed forces. They should be considered as a Trinity—three in one.

Would you not agree that it is fantastic that we have had an air force for 40 years which has never in its whole lifetime been able to support the army in battle? The result has been to make it a sort of colonial appendage of the U.S. Strategic Air Force.

Therefore I welcome this farreaching proposal in Bill No. C-90 to abolish the useless chiefs of staff committee, and to instal one chief, placing under him unified staffs, dealing with operations planning and training; manpower, equipment, construction, and supplies, and other aspects of organization. Doubtless time and experience may modify details, but the principle is sound.

I have, however, a few opinions to give on the working of the proposed new system. One chart shows three people reporting to the minister;—chairman dominion research board, chief of defence staff, deputy minister. The dominion research board and the deputy minister should be made to confine themselves to their own spheres, scientific and civil. They should not be allowed to encroach on the responsibilities of the chief of staff in respect of military policy. Otherwise the minister will get conflicting advice, two thirds of which will be irresponsible. I will mention the deputy minister in a moment. The new bill says clearly that the chief of the defence staff is to be responsible for the control and administration of the armed forces; so, I say, let everybody else keep their hands off.

I turn to the function and status of the deputy minister. There has been considerable pressure, including the report of the Glassco Commission, to increase what is called "Civilian control of the armed forces". I have no hesita-

tion in saying that this would be disastrous. There is too much civilian control already; I have mentioned the vast clogging superimposed civil service.

There is absolutely no evidence, and no reason to assume, that civil control would be more economical or more efficient than military control. You do not entrust control of your forces in great battles to a horde of civil servants. Why do it in peace? The past has proven the fallacy of the notion.

I served on the general staff here in Ottawa from 1936 till after the outbreak of war in 1939. We then had complete, absolute control by the deputy minister. The minister himself came to see us once a year to wish us all a merry Christmas. Not a dog could bark in the armed forces unless the deputy minister approved.

The department was run by this official on a political patronage basis, and the chiefs of staff were powerless. I was there and I saw it. There was a gate to the office, and there was an office boy who escorted people in who wanted something.

No wonder the forces were paralyzed. On the outbreak of war three ancient aircraft fell in the state of Maine trying to get to Halifax. We had exactly four useful antiaircraft guns without proper fire control. The coast defences were incomplete, the navy was sadly depleted, the army likewise. Actually we were virtually defenceless. It was a poor way to do it, but so notorious was the situation in the department that both the minister and the deputy minister were replaced in the first week of the war, and strangers to the department were installed. That is how bad the situation was, and the prime minister knew it.

I have contended for years that the defence department does not need a deputy minister at all. If that startles you, I suggest you think it over. In every other department, the deputy minister is the trained, permanent, professional adviser to the minister, whoever he may be. In defence, on the contrary, the professional adviser ought to be the chief of defence staff. If any deputy minister gives contrary advice it is irresponsible according to the very terms of this bill, and therefore dangerous.

What is wanted on the civil side is a financial superintendent, or prepetual auditor, with no say at all in defence policy. Then you could dispense with the bulk of the costly, hampering civil service you now have. What a saving that would be.

One more important thing I want to mention. There is an intimation in the white paper that Bill No. C-90 is just the first step in what is called there the unification of the forces. My own view is that Bill No. C-90 will be about enough. I think it would be the worst possible thing to put all the forces into one amorphous uniform, and sink the identity of all the various elements out of sight.

The navy is intensely proud of its distinctive dress, and its traditions going back to Sir Richard Grenville, and Nelson at Trafalgar, and the same applies to the air force and its blue dress. As for the army it has its corps and its regiments each proud of its battle honours, its uniform, badges and record. Do you want to consign to oblivion the Princess Patricias or the R. 22 R. now in Cyprus? Are we to take the kilts from our highland regiments? There has been nothing like the esprit de corps engendered by our army organization since the Roman legions. If you abolish the identity of the navy, air force and all the diverse elements of the army you will do enormous harm, and accomplish no military object. On the contrary. Besides, these variations are immensely popular with the public, who love their air force, and their navy and all the rest of the trappings. Do not tinker with long established customs and traditions.

But we must distinguish between sentiment and tradition. Tradition rests on a basis of loyalty and efficiency. Sentiment says we must stick to horses or

to sails in the modern age. It was largely sentiment that impelled the air force to cling to the obsolete interceptor. It was so fast and shiny.

I will now say bluntly, that if the only war the government contemplates is a nuclear war, it would be best to reduce the armed forces to a token, for such duties as aid to the civil power or the protection of fisheries—that is for police work—and save the money. If we spend all we have got we cannot defend ourselves against the "H" bomb. Nor can we add to the effectivenesss or credibility of the deterrent now possessed by the United States, and Britain.

I should just like to remind you that we have had a dozen wars in the past 20 years in Malaya, Algeria, Indo China, Korea, Egypt and so on, and these wars have been fought, and other wars have been averted by conventional arms. The United States has spent about $300 billions on strategic nuclear weapons and has ended up with the communists in Cuba 90 miles from Florida. That is a good example of the uselessness of trying to defend yourself against communism with the hydrogen bomb. This cannot be done. You cannot defend this civilization with the hydrogen bomb, you can only destroy it.

What Canada needs are armed forces under unified control at the top, as now proposed. They should be capable of rapid organization into ad hoc task forces in varying sizes of composition depending on the job. They should be mobile by land, sea and air. We can produce this result without damage to the pride or tradition of any element of the forces, and that is what should be done.

As a sort of anticlimax I just want to say a few words about the clauses of Bill No. C-90 dealing with non-public funds. I know they are not under discussion but I will not have a chance to refer to them again and the subject is dear to my heart.

After the second world war there was a most incredible and inexcusable discrimination made between the services in the disposition of non-public funds. In the case of the army the regimental funds board expropriated every penny which belonged to every institute or mess in the active service force. Every mess and every canteen was sold off at public auction and the regular army was left with a bare floor and the task of replacing them out of its own money. The government then passed an act of parliament setting up a benevolent fund for the relief or army veterans of the second world war. When I was adjutant general, as time went on, the number of veterans in the regular army continued to diminish while the number of non-veterans continued to increase and I did not receive a cent to look after the distress cases of the non-veterans and had to assess every institute in the regular army a percentage of their profits in order to create a new fund to do that.

In the case of the navy and air force they kept their non-public funds in the amount of several million dollars. These funds have remained to this date under the control of the chiefs of staff of the navy and air force. They have been administered for the relief of distress of anyone in those forces and also for the replacement of moneys lost to the institutions for new messes which they had to set up. Furthermore, they kept all their furniture. It was not sold at auction and they did not have to replace it out of their pockets.

I see now that non-public property is to be vested in the chief of defence staff, except that contributed to any specific unit or other element of the defence forces. I do not quite know what this means in respect of the balance of the millions that were formerly under the control of the chiefs of the naval and air staffs. Will the new chief take all this over or not and, if so, for whose benefit will he be able to administer it? I think there would be much anger if he diverted these funds to army distress cases, and maybe it is too late to undo the incredible inequality of treatment meted out to the army by the government in 1946. The matter needs thought and it should be handled with discretion. I wanted to bring this to your attention. There is the situation as it exists

as a result of what I cannot refer to as anything but a blunder, in my mind, made in 1948 whereby all the army's money was grabbed and the other money was not. That is all I have to say.

I think Bill No. C-90 is a great reformation and I would remind you that about 2,400 years ago the Greek philosopher Aristotle said: "In a multitude of rulers there is evil. Therefore let there be one prince".

Thank you very much.

The CHAIRMAN: Thank you general. We will now proceed with our questioning and I have Mr. Temple's name first on my list.

Mr. TEMPLE: First of all, General, let me state that I have found the last 55 minutes to be most interesting. You referred to an airlift of the army. I understood you to state that the new transport aircraft should stay under the control of the Royal Canadian Air Force, but following operations, bringing troops from one place to wherever they are going, these transport aircraft should then remain under the control of one person. Would that individual be the chief of defence staff?

Mr. MACKLIN: No. What I meant to say is that the business of purchasing, servicing aircraft and the training of aircrew is a specialized business and there is no particular reason for dividing this business up between a lot of different individuals. The R.C.A.F. has been doing this for 40 years and can continue to do so. The criterion is that when perhaps a dozen transports have been allotted to a NATO brigade, or as many as may be needed to do a job to give that brigade mobility, those transports, having been allotted to the brigade, should be under the brigadier's control and should not be taken away any more than should his motor trucks be taken away. The air force may purchase them, supply them ,train the aircrews and produce the spare parts for those transports but they then belong for operational purposes to the brigadier and should not be removed by the air force for some other function. We have had this trouble again and again. Incidentally, one wants an airplane and one may get it or may not get it. If the chief of the air staff wants to go somewhere he orders up an airplane and goes but if the chief of general staff or adjutant general wants to go somewhere he can ask for an airplane and maybe he will get it and maybe he will not.

Mr. TEMPLE: Do you not believe that the chief of the defence staff should have the ultimate authority regarding whether or not a plane should be left where it is or whether it is badly needed somewhere else?

Mr. MACKLIN: I certainly do believe that, because the chief of defence staff controls everything. He allots everything to everyone. He is the man who says you can have four battalions in this brigade and only three in that one, or you can have 12 airplanes now but you are coming out of the line and you do not need them so I will reduce the number to six for the time being. That is absolutely correct, but while the airplanes are given to the brigade they should be under the command of the brigadier and no one else should have any say in respect of their operational employment. Otherwise how could a brigadier make any plans for operations at all, particularly when he does not know whether he is going to have 12 airplanes, six or none?

Mr. TEMPLE: I have another question relating to the 1956 stripping of the H.M.C.S. *Magnificent* of its armament in order to have that aircraft carrier transport troops to Suez.

Mr. MACKLIN: That is what was done.

Mr. TEMPLE: Was it not foreseen in those years that there could be an eventuality requiring those troops to be moved quickly?

Mr. MACKLIN: You had better ask the successive ministers of defence why that was never foreseen. The army always knew it had to have some means of moving. We could not swim.

Mr. TEMPLE: I presume the principal reason for a defence force now is that of keeping the peace. Its second purpose is, if it cannot keep the peace, to win any war that might be fought. You have referred to the billions of dollars that have been spent, and I believe you suggested that it was squandered. However, the peace has been kept.

You suggest that Canada's role in NORAD really is not that of defending Canada but only that of defending the SAC bases?

Mr. MACKLIN: That has been the function of NORAD ever since it was created. This was never made clear to the public at any time of which I am aware until the former prime minister made that statement in the House of Commons just before the state department landed on his head. He said that but, of course, the rest of us have known that for many years. As a matter of fact, you will find this statement in various articles I have written and had published.

Mr. TEMPLE: Would you agree that the SAC bases with nuclear weapons have been and are a deterrent?

Mr. MACKLIN: Of course they have been, and have been the only thing that prevented the Russians from an aggressive war. I have never questioned the value of that deterrent. What I do question is, firstly, the necessity for providing a military defence for that deterrent, which NORAD is supposed to be and, secondly, the possibility of providing it. There are two fallacies in respect of NORAD. One is that you must have a military defence for those bases and the other is that it is possible to produce it. Both of those assumptions are false. You do not need this defence of the bases and you cannot produce it if you did need it. I do not know what the present situation is but not long ago the United States had more than 70 air bases around the world in four continents and in about a dozen different countries, and all that NORAD was purported to be was a defence for that portion of those bases in continental United States.

Mr. TEMPLE: Those bases represent a major portion of them, do they not?

Mr. MACKLIN: How much deterrent do you need? The United States had bases in Turkey, Pakistan, Africa, Spain, Germany, Great Britain and Japan, and I do not know where else. They had Russia ringed with bases. It was fantastic to assume that Russia could knock all those bases out in one raid in half an hour. It was just plain nonsense to think that could be done. If the Russians had attempted that they would have been destroyed and Mr. Khrushchov knows that as clearly as I am saying it.

Mr. TEMPLE: Therefore, does it not follow that the SAC bases do help Canada because they provide a very real deterrent?

Mr. MACKLIN: I never suggested that they did not provide a deterrent. What I said was that you cannot provide a military defence for that deterrent and you do not need to provide a military defence in any event. The deterrent itself is there and we must have it. It consisted in former times almost entirely of bombers. It now consists of more and more missiles including the Polaris which cannot be touched because it moves around under the sea. The enemy does not know where it is so it cannot hit it. That is the deterrent and there is enough of it.

All the evidence indicates that the United States has got several times as much nuclear power as the Russians have and you do not have to take my word for that because I can quote you chapter and verse from such responsible publications as the *Atlantic Monthly* of Boston. The United States has four

or five times as much nuclear power and there never was a missile gap. There has been a lot of noise made about it but it never really existed.

Mr. TEMPLE: I have one final question in respect of the air force. You said you agreed with a good portion of the white paper on defence and Bill No. C-90, particularly with reference to pages 22 and 23 of the white paper on defence dealing with tactical air support for our ground forces and increased emphasis on the air transport role. Do you agree generally with those suggestions?

Mr. MACKLIN: Yes, and I have just said so or I hope that I have said so. I welcome these suggestions and that is why I said that this is by far the best white paper that has been produced since the war. I think for the first time we are going to have an air force which can actually operate with other Canadian forces. Do you want to keep your army in the battle without air support in this air age?

Mr. TEMPLE: I agree with the white paper.

Mr. MACKLIN: It is a most remarkable thing that there is now recognition for the first time of that which constitutes air power and that in itself is one of the elements of air power.

Mr. TEMPLE: Thank you.

Mr. DEACHMAN: General, I think in referring to the landing at Cyprus you suggested the Canadian troops owing to the lack of air transport facilities were landed without adequate heavy equipment to protect them?

Mr. MACKLIN: What I said was that an infantry battalion like the 22nd battalion has certain armament and certain transport as an integral part of its equipment. I do not know what that includes now in 1964, because I am out of date, but it included quite a number of motor trucks, jeeps, cars and one thing and another, and some fairly heavy armament. What was done at the time this battalion went to Cyprus was a movement of the soldiers and their lighter equipment such as their rifles and perhaps their Bren guns or whatever guns they have now, into the aircraft and then to Cyprus, but their heavy equipment such as motor trucks and that sort of thing was not transported by air but by sea and the unit was left in Cyprus for two or three weeks without that equipment. I think this was a very hazardous thing to do. You will remember the Hong Kong expedition of 1941 in respect of which we had a royal commission. That expedition landed in Hong Kong and its transport was on a United States ship and never did get to Hong Kong. There were 256 vehicles involved and Brigadier Jake Lawson fought the battle there without any transport. That was not a very smart piece of work.

Mr. DEACHMAN: The British forces had been in Cyprus up to this time in force. Do you know whether any arrangement was made with the British forces to make use of their heavy equipment until such time as the equipment belonging to the Canadian troops arrived? Do you know whether any use was made of the heavy equipment that was in Cyprus and which belonged to the British forces?

Mr. MACKLIN: I have no idea in that regard. You will have to ask that question of the planners, but in any event I should like to point out to you that as far as I know the British army never has any transport to give away to anyone else. In fact during the second world war the British came to me on several occasions when I was the vice chief of general staff asking me if I had any heavy equipment to help them out.

Mr. DEACHMAN: You are not certain that the Canadian troops were without equipment because there may have been some arrangements made for

those troops to use the heavy equipment belonging to the British during that period, in which case they would have been adequately equipped; is that right?

Mr. MACKLIN: I can only tell you that the over-all equipment would have been spread over a much greater number of troops than was intended.

Mr. DEACHMAN: As you know, at that time the British troops had been withdrawing from the area. Is it not possible that arrangements were made with the British troops for the Canadian troops to make use of the British equipment until such time as the Canadian equipment arrived because, as you know, the British troops had been in there for a long time?

Mr. MACKLIN: I have no idea in that regard. I do not know what arrangements were made, but if Cyprus is an independent country, as we say it is, are we to depend on our begging and borrowing from the British in order to equip our unit there?

Mr. DEACHMAN: I should like to refer again to your statement that the Canadian troops arrived in Cyprus without any arrangements being made for any kind of heavy equipment.

Mr. MACKLIN: I did not say that. I said the Canadian troops arrived in Cyprus without a portion of its equipment.

Mr. DEACHMAN: You do not know whether arrangements had been made to provide our troops with equipment during the gap; is that correct?

Mr. MACKLIN: Ask the planners, do not ask me.

Mr. DEACHMAN: But the statement was made with the implication that we had put troops in there without providing adequate equipment for them, and you cannot substantiate this, sir. I suggest you made a statement which you are not able to substantiate to this committee in respect of the protection of Canadian troops by this government.

Mr. MACKLIN: I can certainly substantiate the fact that the Royal Twenty-second battalion went over there by air and part of its equipment went by sea. That is what I said.

Mr. DEACHMAN: We know that.

Mr. MACKLIN: You think it was a good thing?

Mr. DEACHMAN: You further went on to say that we left them without protection. I say that this was not substantiated by knowledge which you are able to bring before this committee.

Mr. MACKLIN: What I can say with assurance is that the over-all forces in Cyprus were short of that equipment while they were on the sea.

Mr. DEACHMAN: They were not necessarily without equipment.

Mr. MACKLIN: Why did we ship it?

Mr. DEACHMAN: In order to permit the British, who were withdrawing from Cyprus, to return their equipment to Britain.

Mr. MACKLIN: Oh, well, all right, I leave it with the rest of the committee to decide whether it was a good idea to send those soldiers over there in that condition.

I will go back and give you another illustration of this. At the time of Suez we were supposed to send an infantry battalion to Egypt. It was stopped because Nasser made tremendous objections and the Canadian government decided not to send it. It therefore went to Halifax and never went past Halifax. This was the Queen's Own Rifles. The battalion was formed by taking the trained men out of two battalions of the Queen's Own and putting them into one battalion, and taking all the untrained and unfit men and putting them into the other battalion. I can leave it to your imagination what the other battalion looked like after this process had been carried out. A question was asked

in the House of Commons, I think, by General Pearkes when he was in opposition—I am not sure of that but the question was certainly asked—how many men in the battalion going to Egypt were under 19 years of age. The answer was 186. We were sending 186, 18 year-olds to a hostile country 6,000 miles away, and that was the best the army could do at that time after spending $16 million a year. We were certainly not getting results for the money. You will find that record in *Hansard*. I can substantiate that.

Mr. DEACHMAN: I want to move to another question. These are questions relating to statements of yours to the effect that Canada does not have the power to make a decision to fire upon an enemy but would have to get the permission of the President of the United States to do so. This I believe relates to NORAD or to the North American defences. Is this correct?

Mr. MACKLIN: That is so.

Mr. DEACHMAN: Is it your opinion that we should have a unified North American defence?

Mr. MACKLIN: I do not think we need a North American defence at all because I have said, in 14 pages of my manuscript here, that the thing is useless and always was. It was put there at the urgent request of the Pentagon when the Russians got the means to deliver a nuclear bomb. They went into a flat spin and they built the DEW line up in the north and rebuilt the mid-Canada line, and then there was the Pine Tree line, and then we provided all these squadrons of interceptors for NORAD. The plan was made, I think, in Washington, and we concurred with it.

Mr. DEACHMAN: I take it you do not believe it is necessary for the maintenance of NORAD?

Mr. MACKLIN: I have been saying this for years, if you had read what I published, and I do not suppose you have and I do not blame you. It has been published in many newspapers right from Montreal to Victoria.

Mr. DEACHMAN: In your opinion NORAD's function of detection, warning and identification, that is identification of foreign vessels entering our waters or foreign aircraft entering our air space, and so on, is a function that is not worth continuing?

Mr. MACKLIN: I would not say that some of the radar elements of NORAD are useless—I would not say that. Interceptors are useless because they cannot stop the Russians from dropping bombs on the cities on which the Russians want to drop bombs.

Mr. DEACHMAN: Do you consider the DEW line useless?

Mr. MACKLIN: You are putting a technical question. It is getting more and more obsolete, like everything else.

Mr. DEACHMAN: Do you believe it has had its uses in its day?

Mr. MACKLIN: Very limited. I doubt it.

Mr. DEACHMAN: You would scrap it?

Mr. MACKLIN: I do not know. I am not qualified to say that. I do not intend to commit myself on such a technical question.

Mr. DEACHMAN: I want to move to another area. You say that in the establishment down on Cartier square we can see scores of civil servants lining up at the punch clock every day.

Mr. MACKLIN: I have seen it for years myself.

Mr. DEACHMAN: Is it an exception to see hordes of employees anywhere line up at the punch clock?

Mr. MACKLIN: I do not know anything about what happens in the General Electric Company or the Westinghouse Company or the de Havilland aircraft

factory. I have not been there to see. I did live in Cartier square for years and very frequently I was summoned to the office of the chief of the general staff or the minister, or the deputy minister, at say a quarter past twelve. I wanted to get some information. And then, you would see a line of people all the way down the hall, from the door down to here, ten or fifteen minutes ahead of closing time, each one determined to get ahead of the other to the punch clock.

Mr. DEACHMAN: Do you think the practice is different from what it is in any other department of the civil service?

Mr. MACKLIN: I do not know anything about other departments; I never was in the Department of Justice or the Department of Transport. It was not my business to go there, so I do not know.

Mr. DEACHMAN: So you are not aware whether it was unusual or just the practice of the clock punchers anywhere else?

Mr. MACKLIN: I submit it is a bit expensive.

Mr. DEACHMAN: Would you replace those civil servants with soldiers?

Mr. MACKLIN: I could dispense with a great many of them if I could only get rid of the enormous overhead of the deputy minister's branch. The deputy minister's branch is a complete duplication in many, many respects. For instance, he has a sort of director of manpower in there. This fellow had no means of getting information so he would come to my staff and ask for it. You could fire him and you would not be any worse off. My staff had the information, and they would give the information to the minister or to the House of Commons or to anyone else if they wanted it. He did not need to get it from a civil servant who had to get it from us in the first place. This is a tremendous duplication of effort.

Mr. DEACHMAN: I have one more question on the subject of non-public funds. I know you would like me to ask you a question about non-public funds. You are referring here to excesses of mess funds accumulated by a mess such as the one at Petawawa, and so on.

Mr. MACKLIN: There were dozens and scores of institutes, messes, canteens—mostly messes and canteens by the hundreds—in the active service force in Canada and in Great Britain and elsewhere during the war, and they all made profits and they all had funds. The department set up the regimental funds board to see that these funds were not stolen or lost or misappropriated or embezzled. At the end of the war the regimental funds board simply impounded all of these funds. One example was that of a friend of mine who was going to buy a brass figure of Mercury as a memorial for the signal corps. He had it all fixed up, and he found a sculptor who was going to make the figure, and the soldiers voted the money for this. However, before he got the thing made, the money disappeared. They seized it all and they took it away. They then came to Camp Borden, the army services corps mess, and the medical mess on Elgin street here, and a hundred other messes and institutes, and they had an auction sale in every mess, and all the equipment was sold at the auction, and the money was taken by the regimental funds board and put into the fund, and the total was about $9 million. Parliament then passed an act creating a benevolent fund. Now, the benevolent fund is a good thing.

Mr. DEACHMAN: What was the benevolent fund used for?

Mr. MACKLIN: It is administered by a board of people for the benefit of the army veterans of the second world war who may be in distress. They can come to this board and they can ask for a loan or a gift, and the case is investigated with great care. This is a welfare service. If they decide that this is a worthy case, they either loan the man some money or give it to him.

Mr. DEACHMAN: You believe these funds should not have been left with the messes or do you believe they should have gone into this welfare fund?

Mr. MACKLIN: I only point out that what was done for one service should have been done for all three, and it was not done for all three. The army service corps mess in Camp Borden was sold at a public auction, all the furniture, the pictures on the walls, and everything there, and the postwar officers were forced to replace it at their own expense. Half a mile down the road is an air force mess, and it still has furniture which it had during the second world war.

The CHAIRMAN: Pardon me, Mr. Deachman. We have a number of other questioners. Is this your last question?

Mr. DEACHMAN: I will close on this question. I know, as a junior officer who was, during the hostilities, only a boy and who helped to contribute to that fund as thousands of others did, that I am glad to see it went into a benevolent fund of this kind, and that it was not just returned for the use of the permanent force messes, because the major contributors to that fund were people who were only there during the hostilities and left the money in passing through. The thing that astonishes me is that in the air force and in the navy the funds are still retained. I would like to know why.

Mr. MACKLIN: You would like to know why and I will tell you. I did not quarrel with the setting up of this benevolent fund. What I quarelled with was the discrimination between the three services in respect of this money. The chief of the air staff and the chief of the naval staff had each a large fund. I do not know how much it was. It comes to millions of dollars. I do not know whether it is $3 million or $5 million. They can administer that as they see fit. However, the chief of the general staff did not have a cent that he could administer. It may be a good idea that they should all have benevolent funds set up by an act of parliament, but why did parliament set up one for the army and not for the other two? Under this bill it would appear to me that the air force and the navy will still keep control of that money.

Mr. DEACHMAN: I think we all get the point. In the course of the committee's work we will want to return to this subject again.

The CHAIRMAN: There will be an opportunity when the Judge Advocate General is before us, so I think we must move on. Mr. Lessard is next, and before he starts there are four people who have indicated they would like to ask questions. The discussion has widened out well beyond the provisions of Bill C-90, and I would like to ask the members to try to keep to the provisions of the bill.

Mr. LESSARD (*Lac-Saint-Jean*): I have three short questions.

(*Translation*)

General, first of all, I must say that you are the best military critic I have ever heard. It seems that there are too many office soldiers, that is, too much administration; in short, there are too many chiefs and not enough Indians in the army. I would like to ask three precise questions, and even if the Chairman said that we must remain within the scope of Bill C-90, I believe that to a certain extent those questions may derive from that Bill. I would like to know to what extent the misunderstanding, the rivalry or the lack of cohesion in the administration of the three armed services were responsible for the disastrous failure and the butchery of the suicidal operation of Dieppe?

(*Text*)

Mr. MACKLIN: There has always been some rivalry between the services, and it would be a good thing if it were controlled at the time. The only real

control you have to prevent rivalry is the minister himself, and he is pretty well overwhelmed in attempting to reconcile the demands of the three services who are in competition with each other for a limited amount of money. Each one of them wants, like Oliver Twist, some more porridge, and the only real person who can decide what each gets is the minister. Usually he gets advice from the deputy minister who is no military expert and does not know the answers. The present deputy minister is a very excellent person indeed and I know him very well, but he is a member of the department of treasury; he is not a soldier, sailor or airman. I doubt if he would know a ship from an aircraft. And yet, he is called upon to judge between these conflicting demands. What is wanted is a military expert.

I cannot go into the battle of Dieppe here. I do not think the disaster of Dieppe was due to rivalry of the services. I think it was due to a bad system of planning. That is my personal opinion. It is a very controversial subject and I would not want to get into that.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Can you tell me whether it is true that the Air Force had not as such supported or preceded the Dieppe raid to destroy the bases which were located there, and that this would have resulted from the lack of cohesion between the military forces?

(*Text*)

Mr. MACKLIN: I do not know but I certainly would not want to make any adverse remarks about the operation of the air force during the second world war. I think they were magnificent and extremely costly.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): It is getting late, but allow me to ask two short questions. With respect to NORAD, you did not mention nuclear missiles which we have been having for some time. Do you believe that the nuclear warheads should be deemed as obsolete, together with the interceptors which you think are useless?

(*Text*)

Mr. MACKLIN: I think that the Bomarc is just as useless as the Voodoo. I frequently said so, and I will refer you to what secretary McNamara said. He said the thing is not much good but they spent a lot of money on it and they might as well keep it for the time being. Let me put it this way. I said this was a reversion of the battle of Britain. In the battle of Britain it was considered that if you could knock down about 10 per cent of invading enemy aircraft and keep doing this, you could compel the enemy to desist before he could win a decisive victory, and that is what happened in the battle of Britain. As I said, the Germans sent 200 bombers, so we knocked down 15, 20 or 25, and after six or eight weeks he quit. This does not arise in respect of a nuclear bomber at all. You only need to have one bomb on Ottawa, and there is no Ottawa. You would have a crater eight miles across and nobody in it. If you knock down 99 and one hits Ottawa, you have no Ottawa. That is no defence.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): You mentioned the Suez crisis as far as the military problem was concerned, and you said that the Canadian regiment which we intended to send was refused by Mr. Nasser in 1956. Can you tell me why it was refused? If I remember well, it was because the symbols which identified it were identical to those of England, which was the adversary at Suez. Was that the reason why this regiment was refused in 1956?

(*Text*)

Mr. MACKLIN: Well, I cannot tell what Colonel Nasser was thinking about. He just did not want an infantry battalion, period. I do not think it would have mattered whether they were dressed in battle dress or in any other way. He just did not want them, and so we did not send them. Whether his objection was that they looked like Englishmen is something I do not know.

Mr. SMITH: General Macklin, in answer to Mr. Lessard you touched on a question which I would like to ask you. What consideration have you given to this problem: The Minister of National Defence is a man with very little technical knowledge, generally speaking. What method of evaluation should be open to him in order to test the validity of the advice he receives from his chief of staff?

Mr. MACKLIN: There is no way in which you can test this validity. What he has to do is get a chief of staff in whom he has confidence. If he loses confidence, he should fire the chief of staff and get another one right away. It is just plain terrible for a minister to keep in office a chief of staff whom he does not trust, and then go to somebody else, who is not responsible for what happens, and say, "What do you think?". This is what Mr. Lloyd George did in 1918. He had no confidence in Lord Hague, the commander in chief in the field, but he did not want to fire him. Therefore, he kept on asking the Frenchmen what they thought about things. This had a most demoralizing effect on everybody, and was a very bad thing to do.

Where a responsible minister loses confidence in his military adviser, the only course open to him is to get rid of that adviser and get another one in whom he has confidence. He should not go on keeping that man in office while taking advice behind his back from somebody else; a minister should not do that.

Mr. SMITH: The United States defence department has a systems evaluation or weapons evaluations branch which is largely civilian. You do not advocate a smiliar set up in the Canadian Department of National Defence?

Mr. MACKLIN: That is a very technical question, and I do not know whether or not I am qualified to answer. However, I think probably because the Americans do it is a good reason we should not do it. We borrowed a chief of staff from Washington, and when I was at the defence college as a student, the chief of staff of the United States army came up to lecture and we asked him how this chairman was going to work? He said he did not know. The fact is he works there the same as he did here. He became in effect a super chief of staff. There was a time a few years ago when the admiral and the first chief of the United States navy fell out with the chairman, and they fired the admiral. That is the way they did it in the United States.

I think the whole concept of this irresponsible chairman is incomprehensible. His terms of reference in the present Defence Act are incomprehensible as even the judge advocate will tell you because he could not figure them out.

Mr. SMITH: When you speak of the deputy minister being irresponsible, you speak of it in a sense that the chief of staff will have the responsibility for the well-being of the forces, and the ordered condition of the forces.

Mr. MACKLIN: That is what I mean. In using the term irresponsible, I mean he can give advice without taking the consequences. If the army fails to function, the head which is laid on the block belongs to the chief of staff, and not the deputy minister.

Mr. SMITH: On this chart of reorganization, in broken lines, there is a defence council. Would you have any comment or suggestion concerning the composition of or the responsibility of a defence council?

Mr. MACKLIN: Well, that is a long story. It would take me quite a while to answer. The defence council in its first instance, at its inception many years ago, was a policymaking body, advising the minister on matters of defence policy. Then, under the regime of the late hon. Brooke Claxton, the body advising on defence policy was the chiefs of staff committee, and the defence council became simply an administrative body which met at very irregular and rather lengthy intervals to discuss entirely matters of administration, such as what kind of a show are we going to put on on Dominion day or on some other day. That is not the sort of thing the defence council considers. It had ten or 12 members, and was an unwieldy body which did not deal with defence matters at all.

If you want another defence council dealing with this sort of thing, I would not object. The main thing is that you want to get a real defence policy, and all the rest will follow on from that.

Mr. LLOYD: General Macklin, your very vivid descriptions of past defence policies certainly point up a very interesting question about this proposed organization. If we accept everything you say as being objective criticism, we must begin here by reconciling democratic control with military effectiveness and efficiency. What in essence you are saying is, you will maintain democratic control through a minister. Government policies as formulated and approved by cabinet are one thing, but once it has been decided you must get it to a single responsible command as fast as you can. In essence, is that what you say?

Mr. MACKLIN: I think so. To me the chain of responsibility under the system of government which we have, and which I consider is probably as good as any in the world, and much better than the United States system, is perfectly clear. Parliament is responsible to the electorate; the Minister of National Defence is responsible to parliament, and the chief of defence staff is responsible to the minister. There is a chain of responsibility which is as clear as crystal. Parliament votes sums of money. The minister is responsible for determining the policy of spending that money and getting the kind of force he decides on, and the man who recommends it is the chief of the defence staff.

Mr. LLOYD: Just before we get to parliament voting the money, there is the process of identifying and defining the policy. This requires consultation before it gets to policy.

Mr. MACKLIN: I am sure Mr. Harkness would know more about this than I do, but surely it is the Minister of National Defence who has to put his projects to parliament. He has to stand up in parliament and justify them.

Mr. LLOYD: He has got to justify the effort expressed in terms of projects, manpower, materiel, productive capabilities of Canada and take responsibility for that total effort?

Mr. MACKLIN: The minister is responsible for what happens in the Department of National Defence.

Mr. LLOYD: Before he reaches the point of decision where, as a responsible minister, he must act, he must at some point receive advice and guidance in respect of the total policy he proposes?

Mr. MACKLIN: The situation works something like this, as I remember it.

Mr. LLOYD: I am not asking how it works now, I am asking how you think it would work best. I am trying to find out the role of the defence council as is proposed in this document. You will notice on the chart off to the left there is a defence council. Would it be useful to the minister in this field of identifying and determining the defence scope and range of defence policy to have such a defence council?

Mr. MACKLIN: I do not think so. I think the defence council, as shown by the dotted line there, should keep its nose out of policy and deal only with matters of administration.

Mr. LLOYD: There is a meeting in Paris of defence officers associated with NATO policy. I presume that at some point the Canadian defence minister will be involved in the discussions respecting Canada's role with its allies in the North Atlantic Treaty Organization. At some point an attempt will be made to determine what Canada's effort shall be to the total defence of the North Atlantic Treaty Organization members. I do not know how Canada's total effort in this regard will be determined, but perhaps it will be done by trial and error. In any event, these people will arrive at a decision in respect of Canada's role. Who would advise the Minister of National Defence at that level of decision making?

Mr. MACKLIN: The minister receives his advice, and I am sure, as I say, that Mr. Harkness can tell you more about this than I can, from two sources. He is between two fires. On the one hand, there is the Minister of Finance who tells him that is all the money he can have and he cannot have any more, and on the other hand, there is the chief of the defence staff who indicates that he wants this, this, and more.

Mr. LLOYD: I prefer to believe that the Minister of Finance indicates to his colleague the minister of defence that he has a problem and they negotiate a reasonable conclusion. I should not like to think that the Minister of Finance tells the minister of defence that he can have just so much and that is all.

Mr. MACKLIN: That was the situation at one time. I remember very well when I was at defence college that we had an exercise which we called cutting up the budget. We received word from Ottawa that we could have $450 million and we sat down as a group of students, to see what we could do with $450 mililons. We finally went back to the acting minister and said that we could not do anything with $450 million because with that limitation all the services would be put on a care and maintenance basis, and that we needed $650 million. The acting minister said that we could not have that much so we said that was all we could get, and that he could not have any more candy than $450 million would buy.

Mr. LLOYD: Surely the Minister of Finance reaches his decision in the light of some weight of consideration regarding the need for a defence effort on the part of Canada?

Mr. MACKLIN: One would think he ought to do that but I sometimes suspect that he does not.

Mr. LLOYD: You suggest that a defence council would not be of any value at this particular level of policy making?

Mr. MACKLIN: No, I do not think so. I think you have one policy making body and that is the Minister of National Defence. He receives the advice of the chief of defence staff who in turn receives his advice from a whole horde of subordinates in all spheres such as manpower, equipment, transport, accommodation and 57 others. The minister can then take that advice or reject it and that is his responsibility. The function of the chief of defence staff, just the same as the function of any staff officer, is to give the best advice of which he is capable and after that he does what he is told.

Mr. LLOYD: What you are suggesting then is that the chief of defence staff should have the same powers, and in fact there is perhaps more reason for him to have the same powers to carry out policy, once it is decided, as Donald Gordon has, for example, in respect of the C.N.R.

Mr. MACKLIN: I believe in some arrangement of that sort. The chief of staff gives his advice to the minister. The minister in light of his political considera-

tions, about which the chief of the defence staff does not know much, makes a decision. He either accepts that advice or he rejects it. He may say that he does not accept the advice because of very good reasons of which the chief of defence staff is not aware. He may indicate that such and such is the plan and tell the chief of defence staff to go away and do what he has been told. That is what should be done.

Mr. LLOYD: Mr. Chairman, I am asking questions in an attempt to pin point this discussion around the matter of integration at the top.

General Macklin you said earlier that the deputy minister in essence was a fifth wheel to a carriage. You did not say that in those words but that is the impression I gained. What role would you envisage for the deputy minister? You have suggested a chief of staff should have direct access to the minister and you are eliminating the defence council because it is of no value. What would be the role of the deputy minister as you see it?

Mr. MACKLIN: I have said, which is a revolutionary thing to say, that I do not think there should be a deputy minister at all. Perhaps there should simply be an auditor or superintendent to see that the money is not misdirected.

Mr. LLOYD: I do not feel there is anything revolutionary about that statement. You are really suggesting that the chief of defence staff be placed in the same position, as the deputy ministers are in very many instances particularly in terms of their powers in operating departments. I do not look upon your statement as extreme at all. As a matter of fact, I rather like the clarity with which you have expressed yourself on these things and I should like to see the record filled with as much clarification as you are giving us possible. I am not in disagreement with you but merely emphasize and pinpoint to this committee the fact that you feel there is more need for more effectiveness and efficiency in the defence forces. You have given illustration after illustration involving the expenditures of some $20 billions over many years in order to make your point. You suggest that there will not be the degree of effectiveness and efficiency consistent with democratic control unless the chief of staff has direct access to the minister and there is nobody in between to thwart, bypass, frustrate, shall we say, the carrying out of his responsibilities. Is that what you are suggesting?

Mr. MACKLIN: What does happen under existing conditions is something like this, and it is very complicated. Again and again I have experienced occasions when proposals have been made to the Minister of National Defence and have been initialed by that minister as approved, at which time the deputy minister rushes in with both feet and suggests that he must have a look at this plan. After about six weeks an answer is given to the effect that the plan is not good. The deputy minister will say to the minister that he has made a mistake, and suggest that he rub out his signature because the proposed plan is not desirable. Six weeks time has elapsed and there has been a lot of frustration with nothing happening. I do not think the deputy minister should have any say in respect of the matter of defence policy because he is not an expert. The deputy minister of finance is presumably an expert. Certainly Mr. Clifford Clark was an expert. He had many many years of experience in financial matters before he went into that department. The deputy minister of public works presumably is an engineer or something of that sort.

Mr. LLOYD: Perhaps I may interject here to wind up this discussion. The Deputy Minister I take it is a policy formulating aid to the minister, but once the policy has been determined the function of carrying out that policy moves quickly to the chief of defence staff, is that what you suggest?

Mr. MACKLIN: I will tell you what I think is the weakness of our system. The deputy minister is in effect, and has been, the deputy of the minister, which is a different thing.

Mr. LLOYD: I think we all understand that.

There is one final question, Mr. Chairman.

The CHAIRMAN: Short, I hope.

Mr. LLOYD: I can make it very short, but I do not know what the answer will be. You did make a point on the time occupied with what, you suggested, might be financial considerations.

Mr. MACKLIN: This was 25 years ago.

Mr. LLOYD: It does not exist today?

Mr. MACKLIN: I do not know; I have not been around here for 10 years.

Mr. LLOYD: It is inherent in the democratic process. Do you think that in this scheme of organization we would minimize, if not eliminate, the incidence, of patronage?

Mr. MACKLIN: This is a political question. I am not a politician and I have never been one. My criticism is non-partisan.

Mr. LLOYD: I think you have the moral courage to deal with that.

Mr. MACKLIN: That is a question for you to answer, not me.

Mr. LLOYD: I am looking for answers.

Mr. MACKLIN: I do not know the answer to that one. I would not even comment on it.

Mr. LLOYD: You would say that reference to patronage was incidental to your comments?

Mr. MACKLIN: I was stating a fact of what happened under the civilian control of the armed forces.

Mr. LLOYD: Therefore it is still a fact today?

Mr. MACKLIN: I do not know.

Mr. LLOYD: If it is still a fact and exists to a degree that should be curbed, then you think it could be curbed best under the kind of organization to which you subscribe?

Mr. MACKLIN: I think it can only be curbed by the Prime Minister. I do not know how you can curb it. You should ask the Prime Minister that question, but do not ask me.

Mr. LLOYD: It can be curbed.

Mr. MACKLIN: Certainly I do not think that any system will deal with it except the system of the government itself. This is not a military matter and has nothing to do with me.

Mr. BREWIN: General Macklin, I understood—and I believe you put it very vigorously—that the whole continental system of air defence in your opinion is a mistake, that it is based upon a mistaken strategic concept.

The CHAIRMAN: May I interject here? I know I allowed other people to get into this area. It is way off the topic of the bill. Because I have allowed other people, I must obviously allow you, but I would ask you to confine your questions, please.

Mr. BREWIN: I think you would save time if you would allow me to get on with the question. This is a preliminary question. I would have liked, as a matter of fact, to ask the general a wide series of questions about the white paper and a lot of other things, but I have refrained from that. This was a central point that you made, General Macklin, that the concept of the defence of North America by knocking down manned bombers is totally unrealistic at the present time.

Mr. MACKLIN: That is true in my opinion. It amounts to this, that the hydrogen bomb, or any other nuclear weapon, cannot be used to wage war

without producing what some people call the peace of extinction, and others call mutual annihilation, and so on. The nuclear bombing strategy is a deterrent, and if you use it you will destroy yourself. Now, the United States has an enormous nuclear deterrent located in some airfields, some silos under the ground with missiles, and so on and, some in submarines floating around the ocean.

The concept of the NORAD air defences was that we needed a military or air defence to protect this deterrent from being destroyed before it could be used. That is what the NORAD system was built for. It was not built for the defence of Canada; it was not built for the defence of the cities of the United States; it was intended to defend the bases of the strategic nuclear air force. I would say in the first place those bases do not need a military defence, and in the second place, you cannot produce it if they did need it. I have said it several times.

Mr. BREWIN: I understand that, and I may say I think there is a great deal of force to your argument, but this is the question I would like to come to; do you think that that strategic concept would be any different and would have been any less likely to have been adopted by Canada and the United States if Bill No. C-90 would have been in effect? How do you link the proposed reorganization with these major strategic concepts, some of which may be very mistaken?

Mr. MACKLIN: I cannot tell what any chief of defence staff is going to recommend and whether or not he will agree to NORAD, or would have agreed to NORAD at the time. For one thing I am not familiar with what pressure was put on us from Washington to do this. We sometimes do things under pressure from Washington which we would not do otherwise. I do not know. I can only tell you that under the system which was adopted here by the government 15 or 18 years ago, of devoting most of their time and attention to the air force since the air force could not afford bombers and did not want to support the army which was going to disappear, this was what the air force got into. They tumbled into this business because there did not seem to be anything else for them to do. If they were not going to support the army, if they were not going to produce masses of air transport, and if they could not afford big bombers, there was not anything else available but jet interceptors, so they bought them, and stuck them into this system. I think they might just as well have bought a large number of race horses and put them in the system.

Mr. BREWIN: But we are really mainly concerned at this moment with the form of organization. Is it your view that a single chief of defence staff might have a clearer look at over-all strategy instead of picking these various things for each service to perform because it might want to perform some service? What is the link between the recommendations in Bill No. C-90 and your views on the strategic task we should be undertaking?

Mr. MACKLIN: These questions are extremely abstruse and rather difficult. The army to which I belonged for 33 years, consists of many arms and corps—there is infantry, artillery, the armoured corps, the engineers, the signals, and so on. Now, an officer serving in the army serves in his corps until a certain stage in his career when it is decided that he is good enough and sufficiently qualified to be a staff officer. When he gets to a certain rank on the staff, he puts on a red hat, takes off his regimental badges, throws them away, and becomes a staff officer.

Of the last three or four chiefs of general staff which we have had one was an engineer, one was an infantry officer, one was a signaller, and one was an artillery gunner, and yet, when they achieved this high rank they did not favour their own arm of the service; they looked at this thing from the over-all point of view of the army, and they gave their advice on that basis. It did not

matter whether the chief of the defence staff used to be in the navy, in the air force or in the army. If he has been properly trained, when he gets to that high office he will give a balanced judgment, regardless of what effect it may have on the service he came from. Just the same as these different chiefs give the government advice, regardless of whether they had been signallers or engineers or artillerymen. That is the way I see the chief of defence staff working.

Mr. BREWIN: I have one other question. Is not the argument you made about the uselessness, for example, of our continental air defence, an argument that you do not require any great military training to appreciate? Is it not perhaps an argument that the civilians under civilian control would help to make effective, rather than if we left this matter, as I think you suggest largely or almost entirely to the advice of someone whose experience would be purely military?

Mr. MACKLIN: I cannot say that. I believe you are a member of the legal profession, Mr. Brewin; would you suggest that I, as a soldier, would be better advised to go and plead the case before the judge than you would be?

Mr. BREWIN: No, but I think you would be quite capable of using quite sound judgment in respect of some matter that affected some of your peers.

Mr. MACKLIN: It could be, but I am not learned in the law.

Mr. BREWIN: I appreciate that; but in respect of this problem which you raise—for example, the effectiveness of the whole North American defence system—I suggest to you the argument which you have made, which I have followed over the years, I may say, and which I think makes very good sense in my judgment, is something which is more likely to appeal to a civilian who is controlling the broad over-all policy than someone who has come up through the services, and has as you suggest perhaps, some natural feelings of preserving the role of his particular service.

Mr. MACKLIN: I do not think so. I must say that I visualize the chief of defence staff as an exceedingly highly trained and specialized person who has many years of service and years of education in staff colleges, defence colleges, and that sort of thing. He is familiar with all the aspects of defence, not only military, but financial, industrial and political as well. I remember one chief of staff, who shall be nameless, who said to me in a very forceful way, "In my job it is not enough to be a soldier; you have to be a politician, too".

The CHAIRMAN: Thank you, Mr. Brewin.

Mr. LANIEL: In speaking of unification of command and so on, in your opinion should the emphasis be centred, let us say, on the army, with the air force and navy supplying the different components of support; would that be a good basis for the Canadian service to be working on?

Mr. MACKLIN: No. During the second world war, the United States invented the expression "task force". When they wanted to carry out operations such as the capture of the islands of Guadalcanal, or Okinawa, or some of these other places, they put together a force to do the job. That force included warships, aircraft, tanks, infantry, guns, and everything else needed to do the job. Then they appointed a commander and said, "Here is the material; go and take the fortified hen coop over there at point X; that is your job and this is the means we give you to do it".

What we want in the armed forces is the ability to produce task forces of any given size for any given purpose, and it will include warships as necessary, aircraft as necessary, infantry as necessary, artillery as necessary, tanks as necessary, and so on. You put together this force.

Every operation is different. The Congo force largely is composed of signallers; it is very heavy on communication. The Suez force is different. The Cyprus force is all infantry, and so on it goes. Each one is different. In order to produce

the Cyprus force, you want aircraft to take it there; or you may want warships to support it. We should have a balanced force of suitable warships, suitable aircraft, and suitable army units, so that we can form a force of arms as required to do a particular job; just the same as if I was going to build a skyscraper. I would sit down and make a list of materials; I would assemble them all on the job and appoint a foreman and say to him, "There is the blueprint, there is the material; you build it". A military operation is like that.

Mr. LANIEL: Do you mean by this that we should forget about defending the world and prepare for mainly peacekeeping operations and that type of thing?

Mr. MACKLIN: You may have to do anything. One day it is an emergency which breaks out in the Congo; the next day it is in Cyprus, or a war may break out somewhere like it did in Korea and you have to go and fight. However, if you have ships, aircraft, infantry, and so on, in due proportions, then you can break that down into components, just as the army does, or the air force or the navy. If the navy has a job to do which entails a squadron of ships to do the job, they send the squadron of ships. In Korea they had a squadron of ships and they relieved them at intervals. It was decided that three ships was the right number to have there. We decided we would send a brigade and organized it accordingly. We had so much infantry, so much artillery, so many tanks, and so on. We did it very well.

Mr. MCNULTY: You favour Bill No. C-90 and the idea of integration. Suppose you were given the responsibility of implementing the integration, what steps would you recommend and and how far would you go?

Mr. MACKLIN: Just about as far as that bill goes now. I think I said Bill No. C-90 is about enough. You are going to replace the unworkable chiefs of staff committee of six members, with an irresponsible chairman, by one military adviser who is to have under him a properly balanced and organized staff to give him the information he needs to advise the Minister of National Defence. I really do not see any great difficulty. The whole thing depends upon the wisdom of the government in selecting the right chief. That means a man in whom they have confidence and who is qualified. I have no intention of embarking on personalities in this thing; but that is the criterion. We have such men in the armed forces.

I see this developed in this way. A young man comes into the armed forces at the age of 20, 21 or 22. He may come out of R.M.C. or university, or somewhere else; he may be in the navy, or air force, or in the artillery. As a rule he will spend eight or ten years serving with his own part of the service, and he will be watched all that time. When he is 28 or 30 years of age, if he is a way above the average, he would be selected to start studying staff training, and then he will have to pass a series of very stiff examinations. If he passes those examinations, he will go to a staff college, which will be a unified staff college and not like now where there is one for the army, one for the air force, and none at all for the navy. There he will be taught the higher aspects of war and the very complicated business of supplying armed forces. He will be taught that for two or three years, perhaps, as they did in Germany. When he comes out of that, he is a marked man and is about 31 or 32 years old. He may go back to his own service, or he may come on the staff as a junior staff officer, and start working as a staff officer. Suppose he gets in another five, six or eight years as a staff officer in various grades, then he becomes, say, a commander in the navy, or a wing commander in the air force, or a lieutenant colonel. Then there is another selection, and those persons who are selected again are sent to the defence college where they learn the higher direction of war in all its aspects, financial, industrial, political, and everything else. It does not matter whether they start in the navy, the air force, the army,

or anywhere; it is from those persons that you will draw the leaders of your armed forces, and out of that ultimately you will select your chief of defence staff. That is the way you work it.

The CHAIRMAN: Gentlemen, it is now six o'clock. The committee will meet again at eight o'clock tonight here in this room at which time the Minister of National Defence will be the witness.

Before we adjourn, on behalf of the committee may I thank General Macklin for his attendance.

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: We now stand adjourned until eight o'clock.

EVENING SESSION

TUESDAY, June 9, 1964.

The CHAIRMAN: We now have a quorum. May we come to order, please. We are resuming discussion of Bill No. C-90, clause 1. The witness is the Minister of National Defence who will open with a few remarks before the questioning. Mr. Hellyer.

Hon. PAUL HELLYER (*Minister of National Defence*): Mr. Chairman and gentlemen, you have heard at your last two sessions some views from people who are versed in defence matters. They have represented quite a wide spectrum of viewpoints. May I say that these views together with many others were carefully considered and analysed by the department during the time that we were preparing the white paper and Bill No. C-90 which is based on it.

I personally have talked to scores of people who are interested in national defence, with experience in this field, and I have had the benefit of their wisdom and experience in reaching the judgment which was the basis of the recommendations of the government.

One of the views that was placed before the committee I would like to comment upon at some length. So if you will permit me, I should like to read a brief statement in respect to it. That is the view put forward by Brigadier Malone when he appeared before you the other day.

Brigadier Malone has had a distinguished career in the Canadian army during the war and since then has taken a keen interest in Canadian defence matters. Therefore, his views on the proposed reorganization of the defence forces should be, and have been, given very serious consideration. I know that members of the committee were impressed with his presentation last Thursday and we are all grateful to him for appearing before the committee.

In commenting on what Brigadier Malone had to say, I think that in fairness to him I should point out that he himself admitted that, due to the fact that he had been out of the country recently, he had not been able to follow the proceedings of the committee prior to his appearance. Thus, he was not aware of the discussions that had previously taken place, including my statement to the committee on May 26.

The main burden of Brigadier Malone's statement was related to his apprehension at the idea of having one chief of defence staff and also the need to ensure civilian control. Later, in his remarks, he referred briefly to public relations and stressed his opinion that this should be directly under the minister. I will have something to say about this further on.

In outlining his objections to one defence chief, Brigadier Malone posed a number of questions and his conclusions depended upon the answer to these questions being in the affirmative. If this was not so, then I submit that the apprehensions of the brigadier are not, in fact, valid.

I would like, therefore, to take each of these questions in turn. The first: "Will the proposed chief of defence staff be accepting orders, directions and decisions from the defence council, or will he, in fact, be imposing his decisions on this council?"

The answer to this is that the chief of the defence staff will be accepting orders from the Minister and Associate Minister. These orders will be based on decisions taken following full discussion within the defence council.

His second question was: "Will other members of the defence council be in a position to question him or overrule him or veto his decisions?"

The defence council will be the senior policy making group within the Department of National Defence under the chairmanship of the Minister and all members of the defence council will be perfectly free at all times to ask any questions they so desire and to express their opinions on any subject which is before the council.

The third question was: "Will other members of the defence council be junior and subordinate to him?"

The answer to this is, as I have already stated, that the membership of the council will consist of the Minister, the Associate Minister, the ministers' parliamentary secretaries, if applicable, the chief of the defence staff, the vice chief of the defence staff, the deputy minister and the chairman of the defence research board. Of these, only the vice chief of defence staff can be considered subordinate to the chief.

Brigadier Malone then posed the question: "Will not the chief of the defence staff in effect determine the actual duties, responsibilities and even the appointments and promotions of other members of the defence council?"

The answer to that is in the negative.

The next question was: "Will the chief of the defence staff be the chief adviser to the Minister? Officially, will other members of the defence council have to speak to the Minister through him?"

The answer to the first part of the question is that the chief of the defence staff will be the senior military adviser to the Minister. To the second part, other members of the defence council will speak in the defence council directly to the Minister, if required, and, as I have already stated, both the deputy minister and the chairman of the defence research board will have direct access to the Minister at all times.

Brigadier Malone then asked: "Will the actual authority for carrying out the government's policies as directed by the Minister, be vested in the council or in the chief of the defence staff?"

The answer to that is that the policies of the government will be carried out by several members of defence council in accordance with their responsibilities.

The final question was: "Will the chief of the defence staff be in a position to reject the advice, even the majority advice, of the other chiefs in the services?"

Bill C-90 which is now before you, calls for the abolishment of the position of chiefs of the individual services in favour of one chief of defence staff. Therefore, the question of rejecting or accepting the advice of the chiefs of the individual services will no longer arise. Certainly, with the abolishment of the positions of the chiefs of the individual services, the naval board, army council and air council will cease to exist. In their place, there will be one equivalent body to advise the chief of defence staff. This will consist of the chief of defence staff himself, who will act as chairman, the vice chief of defence staff, the assistant chief of defence staff and the four functional chiefs, as spelled out in the chart already submitted to the committee.

One other point raised by Brigadier Malone was to the effect that when a new chief of defence staff is appointed, he would have the authority, one

might say, to hire and fire the various functional chiefs as he so desired. This, of course, is not correct. The functional chiefs, as are other senior officers, can be appointed only with the approval of the Minister and I am sure members of the committee are aware that over the years the appointment of a new chief of the individual forces has meant no immediate change in the senior headquarters positions directly under him.

I hope from the foregoing that members of the committee and Brigadier Malone will realize that the pitfalls envisaged by the Brigadier are not, in fact, likely to occur. I do not agree that any military service can be run by a committee and I do not agree that it has been in the past. The army council, the naval board, and the air council have been advisory bodies for the chief of each service and I do not think anyone can deny that in the military structure as we have known it over a number of years, the head of each individual service has been the chief of that service beyond question.

I would also say that in Britain, no matter what the theory may be, the fact remains that the chief of the Imperial general staff, the chiefs of the Royal Navy and the R.A.F have been, in fact, the men ultimately responsible for their services.

What we are asking for in Bill C-90 is to reduce the number of chiefs of staff from three to one, to replace the naval board, army and air councils by one defence staff and to increase civilian control of the Department of National Defence. I do not believe that the establishment of one chief of defence staff under the organization we are proposing will in any way lead to a so-called "supremo".

The other point raised by Brigadier Malone was with regard to public relations. As the deputy minister told the committee a few days ago, it is the intention to establish within the deputy minister's branch an information section which will be responsible for informing not only the public, but also members of the service on matters relating to defence. This organization will be established for the purpose essentially of providing factual information. Brigadier Malone, on the other hand, related his remarks to psychological warfare and what was essentially censorship of news reports from operational fields. I do not think there is a particular relationship in what Brigadier Malone was referring to and what we intend to establish in the information section.

It is my opinion that the information service should not come directly under the minister.

Mr. Chairman, I have dealt at some length with the comments of Brigadier Malone. This has been possible in part because he was the first witness to appear, and there has not been the same opportunity to prepare statements in respect of evidence that was given before the committee today.

There is one further thing I would like to say. Air Marshal Curtis has stated that in his opinion the three services should remain. I would like to quote as a witness on the other side of this argument another very famous airman, Marshal of the Royal Air Force, Sir Arthur Harris, well known as "Bomber". This is a direct quote from Marshal of the R.A.F. Sir Arthur Harris:

> There is only one answer to this otherwise inevitable tendency in each of the services to get tied to a particular and invariably obsolete weapon, and all weapons are obsolete as soon as they are in use. There must be only one service. The survival of three of them at this stage in the development of armaments is wholly idiotic, and there never was any reason or need for them at any time.

Perhaps, if I may say, I would just like to put one other quotation on the record of a number which are available from distinguished military men. This one is from General of the Army Dwight D. Eisenhower, and I quote:

> One of the most important and least understood factors in modern war is that it is essentially a matter of perfected teamwork. Perfected teamwork results as much from friendly association over a period of years as it does from the more obvious reasons of combined tactical training and doctrine. By unification at the top, we emphasize to our soldiers, sailors and airmen the essential truth that each wears the uniform of the nation's fighting forces, and that his natural friends and trusted associates are the others who wear that uniform, regardless of its colour or design. Unity of command in the field, so vital to our success, was not easily achieved. When war came at Pearl Harbor we had joint command. It was not until we surprised the enemy in North Africa that the first large scale example of unified command emerged. But it was a new device, and there were many difficulties which yet remained to be overcome. All of these had to be met and surmounted during the actual operations when lives were at stake. In my opinion, those difficulties grew directly from the traditional operation of army and navy, which is the inevitable outcome of the present organization of our military departments. Separation at the top necessarily fosters separation all along the line.

Mr. Chairman and gentlemen, I just cite these as two examples of many men with a lifetime of military experience who support the ideas which have been included in the white paper and which are now to be implemented through the bill which is under consideration. We have given this matter very careful consideration and much thought. We feel that it is the right solution. We admit that there are very great problems to be overcome in working it out in practice, but we are willing to solve these problems one at a time as we come to them. We would recommend the bill to you and express the hope that it might be referred back to the house so that it can be implemented and so that we can get on with the action at an early date.

The CHAIRMAN: Are there any questions?

Mr. LANIEL: Mr. Chairman, I just have a very short question. Taking into account the last remarks of the minister that very careful thought has been given to this change, I am wondering if, after the bill is referred to the house and is put to application in the unification of command, it would be possible, after a period of several months—I do not know how many months—for this matter to come back to the committee so that we would know how much ground has been covered, how the difficulties have been met and how right were our views and yours on the possibilities and success of such an operation.

Mr. HELLYER: I am sure the committee will be interested in the progress that has been made in the implementation of this program, and I am confident that we will be more than happy to report it to you from time to time.

The CHAIRMAN: Are there any further questions?

Mr. HARKNESS: Mr. Chairman, I have really no further questions to put to the minister. I am not going to take up the time of the committee to repeat the points already made here, but I would like to say that I think that a lot of the points that Brigadier Malone brought up, which the minister has dealt with, chiefly in regard to the dangers of what amounts to a supreme commander, and particularly from the point of view of leaving the minister, whoever he may be, in the position of having only one military adviser, is a very dangerous precedent. It is a matter of going back, as Brigadier Malone pointed out, to a system which was tried for a long time in Great Britain and other countries and found wanting. I regret that the type of organization, more along the line of the one which exists in Great Britain or the type of thing which was suggested by Brigadier Malone, is not being put into effect.

The CHAIRMAN: Are there any further questions?

Mr. MACLEAN (*Queens*): I just have one small question by way of clarification. The minister said, as I understood him, that the chiefs of the various services would still be appointed with his approval.

Mr. HELLYER: The functional chiefs.

Mr. MACLEAN (*Queens*): I am not questioning that, except that the position, as far as the statute is concerned, will not be the same as it is when you have three separate chiefs of staff. Under the act, the government is required to appoint them. However, as these decisions are not specified in the act. If this bill passes, what is the authority by which the minister must give approval to their appointments? Why cannot the chief of defence staff object to or question his choice?

Mr. HELLYER: Because the minister has the authority to approve the promotion of people in the armed forces and he exercises it from the level of colonel and above.

Mr. WINCH: Mr. Chairman, there is one phase on which I am not clear; perhaps I am a bit confused, perhaps my question may sound confused also. It relates to the integration at the top level of the armed services. How does the integration of those in uniform with the civilians come about? Where is the line of demarcation as between the employees in uniform and those who are civilians?

Mr. HELLYER: I do not quite understand your question.

Mr. WINCH: You have many thousands of civilians in the services. Under whom do they come? Is there now, or is there going to be in the future, a civilian at the top so that you would have integration not only at the top of the three services but also of the civilians?

Mr. HELLYER: The brief answer is that many civilians work directly under the civilian side of the department—the deputy minister's staff. Others in the field work directly with and under the forces. That is the position as at present, and this position would not change substantially, although there might be some changes in particular detail.

Mr. LLOYD: My question, Mr. Hellyer, has to do with the appointment and functions of the council. You named the representatives on the council. I am not sure whether they were in your original paper or not. Would you repeat them for me?

Mr. HELLYER: Yes. It is the minister, the associate minister, the parliamentary secretaries, if applicable, the deputy minister, the chairman of the defence research board, the chief of the defence staff, and the vice chief of the defence staff.

Mr. LLOYD: I suppose in the main this body would be responsible for assisting the minister to define and establish policy.

Mr. HELLYER: It is the main policy-making body to advise the minister.

Mr. LLOYD: In practice the tendency will be to delegate to the chief of the defence forces the responsibility for carrying out the policy agreed upon in general?

Mr. HELLYER: Yes. He carries out the policies which relate to the armed forces of Canada.

Mr. LLOYD: If there is doubt, this is where consultation takes place. This brings me to the question of appointments of the functional chiefs who are below the chief of the defence committee. You say they are appointed by the minister. Is there a requirement by statute that you must have a recommendation of the chief of the defence committee before you make such an appointment?

Mr. HELLYER: No; there is no such requirement. Normally you would seek his advice.

Mr. LLOYD: So, there is not to be any statutory requirement.

Mr. HELLYER: There is no statutory requirement.

Mr. LLOYD: This is a device which has been recommended in schemes of organization of government.

Mr. HELLYER: Perhaps we might ask the judge advocate whether there is any statutory requirement. I know of none. He shakes his head in the negative.

Mr. LLOYD: This would leave it to the minister to follow the established policy. I would think the minister at least would want the recommendation of the chief of the defence forces.

Mr. HELLYER: You are correct and he would normally ask for it.

Mr. LLOYD: You would ask for it and then you would appraise it, and either approve or disapprove?

Mr. HELLYER: That is correct.

Mr. LLOYD: It is a technique which I am not sure should not be written into the legislation; that is, that you must have a recommendation from the chief of the defence staff.

Mr. HELLYER: I do not think in practice it would make any difference. Any minister certainly would ask for it.

Mr. LLOYD: It would not make any difference, but it makes a tremendous difference when an issue should arise and you are reporting to the house as the responsible minister; then it makes a difference, because it pinpoints that a specific recommendation had been made.

Mr. HELLYER: I can assure you that regardless of whether a recommendation is made verbally or by other means, the minister still has to accept the ultimate responsibility for the decision whatever it is, under our system.

Mr. LLOYD: I suggest this is a principle which is the result of a very intensive study in the United States by the public administrative service. This service is applied not only to cities in the United States, but also to government departments. One of the devices which they very consistently recommend is that when you get to the very top echelon, the person in supreme command or control who had the responsibility for direction of or carrying out of policy, had the right to recommend, but not the right to appoint. The policymaking body made the appointment. This is a practice and it would be established as a practice over the years. The way we work in parliament, this would be the kind of thing we look upon as precedent and established practice. We may not need a written law, but certainly that is the way I would expect it to go.

Mr. MACRAE: I would like to ask the minister how far he has gone in considering appointments for the projected Canadian organization? My question is prompted by an article written by David McIntosh, a most knowledgeable writer on military affairs. In the article it is suggested that the vice chief of the defence staff most likely would be General Walsh, and that also the chief of operational readiness would be General Allard. I do not recall that this ever has been mentioned in any committee meeting. Would the minister either confirm or deny that those are the two senior officers slated for those jobs, and perhaps advise us how far beyond that he has gone in planning appointments at this point?

Mr. HELLYER: If the committee would permit me, I would prefer to neither confirm nor deny, but merely say that a considerable amount of thought has been given this very important subject.

We will be prepared to announce our recommendations promptly after the bill is referred back, so that we can get on with the planning. There is an intermediate stage of planning which has to be performed before the bill can be proclaimed. During this planning period, we will have to designate the men whom we intend to nominate for those positions. Therefore, I can assure you that we will be in a position to act promptly if the committee will agree to refer the bill back so that we can get on with the job.

Mr. MacRae: I would like to comment that the article said this information came from informed sources. I am wondering how far your thinking has progressed beyond these three. It is not that I disagree with any of this, but I thought you might take the committee into your confidence and tell us something more.

Mr. Hellyer: I think I have taken you into my confidence when I said we have considered the question in considerable detail, and have a pretty firm idea of what we propose to recommend.

Mr. Groos: Mr. Hellyer, I think you said the organizational charts that you have drawn up here are still flexible, and that in the light of experiences changes can and should be made, if necessary.

Mr. Hellyer: I think that is prudent.

Mr. Groos: I do not like to leave this subject without once again expressing my uneasiness in respect of this little section of the big picture. We speak of co-ordination and unification at the top—and I can find no fault with this—but I am worried about what is going to happen further down. It seems to me that whether we call them the navy, the army or the air force, we still are going to require various arms of the service because of the different duties they perform. Having removed the chief of staff from the position of leadership of those three arms, so long as those arms continue, they are going to have to have some sort of spokesman through whom the members of these various arms can speak to the functional chiefs. This is my concern; we have not been told anything about this. In fact, from what we read in the newspapers, there is likely to be more unification than co-ordination further down the scale. In respect of your remarks a little while ago concerning a statement made by General Eisenhower, when he was in the position of President of the United States, he did not go all the way as he indicated in his quotation he would in putting everyone in one uniform.

Mr. Hellyer: He just said he would have, had he had his way.

Mr. Groos: I think he had it. In answer to a similar question you told me before that this would be revealed to us later on. I am waiting very interestedly to find out to what extent this unification will take place at the lower echelon, because so long as there is not complete unification, I think each individual arm of the service will require a spokesman.

Mr. Hellyer: I think that is fair, but I think it is important to reiterate, with deference, that some of the reports which have been circulated are not accurate. You will always have commanders who are specialists in their field; this cannot be avoided. These are the men who prod sailors and soldiers on to greater things. I can assure you that the organization will provide for proper training and proper liaison between commands and the headquarters staff.

The Chairman: Mr. Matheson.

Mr. Matheson: Mr. Chairman, as there has been reference to personnel may I say that I would certainly like to offer the hope that the announcement that was made today that General Bernatchez is retiring is not the end of his service. I regard the loss to Canada of this gallant and gifted Canadian as important, and I do hope the department will bear in mind his talents in a variety of directions.

With respect to a question asked earlier today, General Macklin made a comment which I understood to be to the effect that he did not really any longer see the need for a deputy minister of defence. I concluded that his view was that this position could be covered by the efforts of the chief of defence staff. I wonder if the minister has any comment on this view, which I found rather extraordinary.

Mr. HELLYER: I think the associate minister would agree with me that we find the deputy minister very helpful! Therefore, I would hope that we would be able to keep him and his very fine organization in our service.

Without going into the argument at great length, I think perhaps one of the problems of which General Macklin likely was thinking was the degree of co-ordination which has been necessary, much of it because of the individual services; that, because it was felt there should be uniform standards in some cases and maximum co-ordination, committees were set up and secretariats provided; that the lines of communication were sometimes, in that sense, longer than people who would like to get the job done quickly would appreciate.

We think the advantages of our proposal will be the lesser requirement of co-ordination because the standardization of procedures and so on will be worked out internally between the forces themselves. Consequently, I think much of General Macklin's concern can be met, without at the same time reducing in any way the control and effectiveness of the civil side of the department, which I think is effective and essential.

Mr. MATHESON: Mr. Chairman, without in any way questioning what the minister has said, would I be correct in believing that the scheme envisaged by the minister in this bill—Bill No. C-90—does result in the deputy minister becoming more military and perhaps somewhat less civilian? I am not questioning what the minister has to say, but I was rather impressed with what appeared to me to be a wide range of military duties, involving a good deal of technical judgment, in what I saw of the schematic plan under the responsibility of the deputy minister.

Mr. HELLYER: I do not think that would be a fair interpretation, Mr. Matheson. The deputy minister and the chairman of the defence research board are financial and scientific advisers to the minister. The military side, including tactics and doctrine, must come from the armed forces.

The CHAIRMAN: Mr. Winch, you had another question?

Mr. WINCH: Mr. Chairman, if I interpreted correctly one phase of Brigadier Malone's statement last Thursday it was to the effect that he was concerned that there should be almost a pinpointing of responsibility of various individuals in the higher echelon. I think I am correct in saying he carried that to the point at which he thought the specification, the pinpointing of responsibility, should go so far as to be included in the statute.

Has the minister any comment to make on that?

Mr. HELLYER: Yes, I think there are two essential points in his argument. If I may use an analogy, the first is the difference between the civil law and the common law, the difference between codifying responsibility by statute and having it assigned and understood and changed from time to time on the basis of precedent and as a result of changing requirements and circumstances.

In practice, I think one could have either system. We have followed the latter. I think it is adequate for our purposes that the functional chiefs be assigned responsibility in certain areas; these are understood. I think they can be changed from time to time as circumstances warrant without building in the inflexibility of codification in a statute of law.

The second essential difference or point that he raised was in having the functional chiefs sit on the defence council. I have already stated to the committee that although they will not be members of the defence council in their

own right they will in fact be asked to sit in and give technical advice to the ministers and to the members of the defence council on matters coming within their particular jurisdiction. So, in point of fact, there is very little in these two major points that he has made that is not being taken care of, and the difference I think is really in terminology and method.

Mr. WINCH: Do you agree with the interpretation of the brigadier that under Bill No. C-90, as far as the statute goes, the top man, the chief of staff, is by statute 100 per cent responsible for anything and everything in all defence circumstances?

Mr. HELLYER: In exactly the same way as an individual service chief is today. There is no change.

Mr. WINCH: There is no change?

Mr. HELLYER: No.

The CHAIRMAN: Mr. Deachman.

Mr. DEACHMAN: Mr. Hellyer, I wonder if you would care to comment upon a statement made by General Macklin this afternoon with regard to the lifting of troops and supplies by air to a point at which they were in an exposed position in Cyprus because they were landed before heavy equipment arrived. Perhaps before we go too far away from the discussions with General Macklin the minister would care to give an explanation of his statement.

The CHAIRMAN: There were many many topics discussed today which were very wide of Bill No. C-90. I hope we can confine our discussions to Bill No. C-90. For the record, we will allow this one.

Mr. HELLYER: Yes, I would deny that categorically. Before the troops were moved communications were set up with the British troops on the island to determine what equipment could be made available and would have to be included with the original airlift. Everything that was required was taken with the troops on the airlift and it was only equipment that was not required until a later date which went by sea. The scout cars were available from the British, the ration supplies, and there was no problem whatsoever of that kind.

The CHAIRMAN: Would you proceed, Mr. Temple.

Mr. TEMPLE: Mr. Hellyer, on the point raised by Mr. Winch and others, in codifying certain requirements that had to be done, such as the defence council having to consult in respect of this and that, are not the key words that by going by precedent or with what happened before rather than by statute gives you more flexibility?

Mr. HELLYER: I think that is a fair statement, yes.

The CHAIRMAN: Are there any further questions of the minister?

Mr. LLOYD: Mr. Chairman, I do not want to be chewing at this old bone and fixing responsibilities but I did like what I heard from witnesses, the importance in so far as you could do so, compatible with flexibility, of fixing responsibility down the line.

Under clause 1, section 19 (1) of the bill in the second section I notice these words:

> Unless the governor in council otherwise directs, all orders and instructions to the Canadian forces that are required to give effect to the decisions and to carry out the directions of the government of Canada, or the minister, shall be issued by or through the chief of the defence staff.

Now, presumably there will be many things which he will issue which will be in the nature of administrative orders, and I presume they would be written orders. I do not know how you would refer to them but I would

imagine there would be many detailed administrative instructions fixing responsibility to officers below him. Would that not be the case?

Mr. HELLYER: Yes.

Mr. LLOYD: And, this is where you would get the ability to fix responsibility down the line?

The CHAIRMAN: Are there any further questions of the minister?

Mr. HARKNESS: Mr. Chairman, on the chart of the proposed organization that was mentioned there are one or two things I note. Under the chief of operational readiness there is operational training and training standards, combined training and tactical development, but under the chief of personnel there is individual and basic training. This would appear to set up what you might call two training channels and I would doubt very much whether this is a good form of organization. I think in each of the services up to date you have had a director of training or the equivalent who was responsible for training of all kinds. And, we are going to have certain types of training, orders for which come down from the chief of personnel and other training orders for which a majority of the orders come down from the chief of operational readiness. I think you are going to have a split or division there which will not make for efficiency and which also will result in duplication of staff.

Mr. HELLYER: The division was recommended by the military planning group. Of course, it is subject to revision if it does not prove practical. The thinking behind it was that the chief of personnel would take new entrants through their basic training and trades training and that they then would come under the jurisdiction of the chief of readiness at the time they went to units or to operational training units. This was felt to be a logical break-off point between their initial training period and the time that they moved into close association with one of the operational units. But, this is something which is completely open, to be determined on the basis of experience and getting the best possible organization from the administrative standpoint.

Mr. HARKNESS: Well, in respect of people engaged in training, whether it is basic training or a little more advanced training, there is what you might call no clean cut saw-off point in connection with it, and the type of basic training that is given is dependant to a great extent on the type of advanced or further training which these people will have to take, particularly on the training doctrine.

Mr. HELLYER: This is true but there is, in fact, at the moment already this division along these same lines wherein you have people responsible for basic and trades training and then you have different people in charge of operational training at different units and so on. So, in effect, there is no radical change here; it is just a question of the break-off in organizational responsibility.

Mr. HARKNESS: Well, similarly, you have operational doctrine under the chief of operational readiness; you have operational requirements under the assistant chief of defence staff, and I would think again you are likely to have some overlapping and difficulties in that regard. Myself, I would think it would be better to have both of these in the one branch.

Mr. HELLYER: Theoretically, Mr. Harkness, I think you are right, and this may be the ultimate solution after the integration has taken place over a period of years. The separation at this time is for the purpose of putting the planning staff and operational requirements in a separate department closely under the supervision of the vice chief of defence staff during the initial stages when there are many new problems to be tackled and solved.

The CHAIRMAN: Have you a question, Mr. Winch?

Mr. WINCH: Yes. Would you mind enlarging on that a little bit. I think Mr. Harkness possibly had the same thing in mind as I have; under the

assistant chief of defence staff you have program planning and analysis and under the comptroller general and his deputy you have program management. What is the differential between the two?

Mr. HELLYER: It is the difference between working out a program and the administration of it after it has been agreed—and, control.

Mr. WINCH: Do you not think the one who works out the program is the correct body to follow through and to analyse it. I am just interested on that basis.

Mr. HELLYER: I am too.

Mr. WINCH: Well, as you say, this is subject to change.

The CHAIRMAN: Would you proceed, Mr. Smith.

Mr. SMITH: Following along the line of the last two or three questions, I note on the chart the chief of logistics and engineering is responsible for the design, development, test evaluation, inspection and quality control, and others are responsible for program planning and analysis and program management. It seems to me that some of these functions are now being carried out or being duplicated by the department of defence production and that a considerable amount really of inspection, quality control and programming in respect of the building and procurement of ships and airplanes now is, at least so far as a layman is concerned, being duplicated. Will this increase the duplication or is it contended to control the function of defence production in procurement of military items?

Mr. HELLYER: If my memory serves me correctly, Mr. Smith, there is no change in the division of responsibility which is in effect at the present time. Inspection, for example, of quality control is done by the Department of National Defence.

Mr. SMITH: Will there continue to be the present duplication?

Mr. HELLYER: If there is any duplication, and I do not wish to comment on this, it is in the other areas of the requirements field.

Mr. SMITH: You do not think there is any duplication now?

Mr. HELLYER: I did not say there was not any duplication. I have not examined this aspect of it thoroughly.

Mr. SMITH: If there is any duplication have you any plans to get rid of that duplication?

Mr. HELLYER: I think we are concentrating on a rather major project at this time, Mr. Smith, which will keep us fully occupied for a considerable length of time.

Mr. MACLEAN (*Queens*): I have one question I should like to ask for clarification in respect of something referred to this afternoon. I understood General Macklin to comment this afternoon in a questioning way regarding whether or not our forces had the capability to move the necessary equipment by air to Cyprus. I do not know whether he went on to say, but perhaps he did, that the troops were in an exposed position until the equipment arrived by sea. Nevertheless, if that was not the case, and I think it was not, was it only a fortuitous circumstance that the British force had this necessary equipment readily available on the spot? Was this a kind of serendipity that you cannot depend on, on every occasion?

Mr. HELLYER: I would agree with you but, as you know, we already have a number of additional aircraft on order for this purpose, and it is our plan to augment the airfleet even further in future so that we can move larger quantities of equipment immediately when required.

The CHAIRMAN: Are there any further questions in respect of clause 1. Shall clause 1 carry?

Some hon. MEMBERS: Agreed.

Clause agreed.

The CHAIRMAN: Shall Clause 2 carry?

On clause 2—*Non-public property of units.*

Mr. HARKNESS: In connection with this clause, General Macklin raised several points this afternoon regarding the administration of the naval and air force funds. Perhaps we should have some clarification at this time.

The CHAIRMAN: We have joining us now as a witness the Judge Advocate General, Brigadier Lawson.

Brigadier W. J. LAWSON, (*Judge Advocate General*): May I have the question repeated?

The CHAIRMAN: Would you repeat your question please Mr. Harkness?

Mr. HARKNESS: My question essentially was, what will be the position of the present naval and air force funds, the responsibility for whose administration is presently in the hands of the chief of each of these services?

Mr. LAWSON: That is not strictly the fact, Mr. Chairman. The R.C.N., R.C.A.F. and army benevolent funds do not come under section 39 of the National Defence Act. The R.C.N. and R.C.A.F. funds are part II companies, incorporated under the Dominion Companies Act. The army benevolent fund is governed by a special act of parliament. Section 39 has nothing to do with any of those funds.

Mr. WINCH: Was there a special act of parliament required in respect of what was mentioned by General Macklin this afternoon, leaving the benevolent funds of the navy and air force alone but confiscating the funds of the army?

Mr. LAWSON: A special act of parliament was passed to set up the army benevolent fund in 1946.

Mr. WINCH: I was not referring to the setting up of the fund but to the taking over of the funds, whereas the other two funds were left alone.

Mr. LAWSON: The act did that as well.

Mr. SMITH: Does that act deal only with property presently in being and in the hands of specific units?

Mr. LAWSON: You are referring to section 39, are you?

Mr. SMITH: Yes.

Mr. LAWSON: Section 39 deals only with current funds.

Mr. SMITH: It deals only with current funds in being now and in the hands of some units?

Mr. LAWSON: Yes, it deals only with funds in being now or those which will come into being in the future.

The CHAIRMAN: Are there any further questions on clause 2?

Shall clause 2 carry?

Some hon. MEMBERS: Agreed.

Clause agreed to.

Clauses 3 to 10, inclusive, agreed to.

The CHAIRMAN: Shall the Title carry?

Some hon. MEMBERS: Agreed.

Title agreed to.

The CHAIRMAN: Shall the Bill carry?

Some hon. MEMBERS: Agreed.

Bill agreed to.

The CHAIRMAN: Shall I report the Bill without amendment?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: The committee now stands adjourned to the call of the Chair.

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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

TUESDAY, JUNE 16, 1964

THURSDAY, JUNE 18, 1964

CIVIL EMERGENCY PLANNING

Including Third Report to the House
(Involuntary Retirements)

WITNESSES:

The Honourable Charles M. Drury, Minister of Defence Production; and
Mr. Paul Faguy, Director, Emergency Measures Organization.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20974—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman:

and Messrs.

Béchard,
Brewin,
Deachman,
Fane,
Granger,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Nielsen,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

REPORT TO THE HOUSE

WEDNESDAY, June 17, 1964

The Special Committee on Defence has the honour to present the following as its

THIRD REPORT

1. During the Committee's consideration of Bill C-90, evidence was heard respecting the impact of the proposed service reorganization on the manpower requirements of the Services and the Department. Information adduced was to the effect that the manpower requirements of the Services will drop by approximately 10,000 personnel over the next few years. The reduction in civilian strength may be considerably less, but no specific figures were available in this regard.

2. It was noted that the largest part of the reduction in strength would come from normal attrition. It was also recognized that the Services must attain a proper balance of age and skills. To achieve this objective, recruiting will have to be continued and some personnel will have to be involuntarily retired. It was estimated that the latter group might number 2,000 persons, in addition to approximately 500 Aircrew who have already been notified of their impending release.

3. Whilst your Committee generally approved the proposed retirement benefit set out and printed as Appendix "A" to Committee Proceedings No. 2, dated May 28, it further recommends:

(*a*) That recruiting be continued to ensure an adequate balance of skills for the maintenance of operational efficiency within the Services.

(*b*) That, in those ranks, skills and age groups where reductions become necessary, every effort be made to ascertain those persons who wish to retire. This will assist those persons, who wish to retire, to do so with the benefits to be provided, while at the same time reducing the number of involuntary retirements amongst those who wish to remain in the Services.

(*c*) That guidance or counselling be given, on request, to those being retired, so that those who wish to use their benefits for special training or education in civilian institutions will be given every help and encouragement;

(*d*) That the matter of displaced civilian employees now being studied by the Civil Service Commission and Treasury Board be quickly resolved, bearing in mind the specialized service rendered and the comparative benefits being provided to Service Personnel who are being involuntarily retired.

A copy of the Committee's Minutes of Proceedings and Evidence, relating to these matters, was tabled with the Committee's Second Report on June 10, 1964, and is recorded as *Appendix No. 3* to the Journals of the House.

Respectfully submitted,

DAVID G. HAHN,
Chairman

20974—1½

MINUTES OF PROCEEDINGS

TUESDAY, June 16, 1964.
(11)

The Special Committee on Defence met *in camera* at 11:00 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple, Winch (20).

The Chairman outlined briefly matters to be given precedence in the Committee's studies during the next few weeks. He then presented the Fourth Report of the Steering Subcommittee as follows:

Your Subcommittee recommends:

1. That the Committee meet *in camera* on Tuesday, June 16 to consider its Report on involuntary retirements.

2. That the Minister of Defence Production be invited to appear on Thursday, June 18 to discuss Civil Defence.

3. That Mr. Paul Faguy, Director, Emergency Measures Organization, be invited to appear on Tuesday, June 23.

On motion of Mr. Winch, seconded by Mr. McNulty,

Resolved,—That the Fourth Report of the Steering Subcommittee, presented this day, be now concurred in.

On behalf of the Steering Subcommittee, the Chairman presented a "Draft Report to the House", respecting involuntary retirements in the Department of National Defence. The said report was amended, and adopted *unanimously* as amended. The Chairman was instructed to present the Report to the House.

Discussion arose respecting the necessity for early consideration of Naval equipment procurement practices, and for a study of the role of the Active Army. These matters were referred to the Steering Subcommittee.

At 11:50 a.m. the Committee adjourned until 11:00 a.m. Thursday, June 18, 1964.

THURSDAY, June 18, 1964.
(12)

The Special Committee on Defence met at 11:10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Fane, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple (16).

In attendance: Honourable Charles M. Drury, Minister of Defence Production; and Mr. Paul Faguy, Director of Emergency Measures Organization.

The Chairman presented the Fifth Report of the Steering Subcommittee as follows:

1. That the Committee consider *Service Colleges and related training plans* on June 25 with Commodore H. V. W. Groos, Director, Regular Officer Training Plan, in attendance.

2. That the Committee continue its enquiry into the operation of *Service Colleges and related training plans* on June 30 and July 2 with the Associate Minister of National Defence and Commodore Groos in attendance.

3. That on July 14 the Committee consider the *Reserve Forces* with the Associate Minister of National Defence in attendance.

4. That on July 16 the Committee hear a presentation respecting Reserve Forces by the Conference of Defence Associations.

5. That on July 21 and 23 the Committee continue its consideration of the Reserve Forces with Brigadier E. R. Suttie in attendance.

6. That reasonable living and travelling expenses, as well as per diem allowance be paid in connection with the appearance before this Committee of Brigadier E. R. Suttie.

On motion of Mr. Laniel, seconded by Mr. Lessard,

Resolved,—That the Fifth Report of the Steering Subcommittee, presented this day, be now concurred in.

The Committee turned to a study of *Civil Emergency Planning*.

Mr. Drury was called; he read a prepared statement, respecting Civil Emergency Planning. The Minister, assisted by Mr. Faguy, replied to questions on that statement and on related matters.

Samples of pamphlets and documents prepared by *Emergency Measures Organization* were distributed to Committee members.

At 1:00 p.m. the Committee adjourned until 11:00 a.m. Tuesday, June 23, 1964.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

THURSDAY, June 18, 1964.

The CHAIRMAN: Gentlemen, we now have a quorum. Could we come to order please?

Before we hear our witnesses this morning, I have a report of the steering subcommittee dealing with agenda to present to you, and a word of explanation before I give you that report.

We are having, as approved at the last meeting, meetings today, and on next Tuesday, dealing with the Emergency Measures Organization. We were then hoping to have the Suttie report available so that we could start our studies on Reserve Forces. The Suttie report will not be available until about July 9, so we are going to move from Emergency Measures Organization to three meetings dealing with the Service Colleges, and related training programs. We then have a week, which is the week of July 2, open, in the hopes that if the Flag Debate is completed we might use that week to go and see the Navy. Following that, we then start with our study of the Reserve Forces. The Suttie Report will be available to us.

The report of the subcommittee is as follows:

Your subcommittee recommends as follows:

1. That the committee consider service colleges and related training plans on June 25 with Commodore H. V. W. Groos, Director, Regular Officer Training Plan, in attendance.

2. That the committee continue its enquiry into the operation of service colleges and related training plans on June 30 and July 2 with the associate minister of national defence and Commodore Groos in attendance.

3. That on July 14 the committee consider the reserve forces with the associate minister of national defence in attendance.

4. That on July 16 the committee hear a presentation respecting reserve forces by the conference of defence associations.

5. That on July 21 and 23 the committee continue its consideration of the reserve forces with Brigadier E. R. Suttie in attendance.

6. That reasonable living and travelling expenses, as well as per diem allowance be paid in connection with the appearance before this committee of Brigadier E. R. Suttie.

May I have a motion for acceptance of this report, please?

Mr. LANIEL: I move the adoption of the report.

Mr. LESSARD: I second it.

The CHAIRMAN: Any discussion? Is the report approved?

Carried.

Motion agreed to.

The CHAIRMAN: We are now beginning a study of the Emergency Measures Organization. Our witness this morning is the Minister of Defence Production, in his capacity as the minister to whom EMO reports.

The minister has a statement which I believe has been distributed to committee members—

Mr. PILON: Not yet.

The CHAIRMAN: It will be distributed to you now; perhaps we can distribute that before the Minister starts his statement.

There is also some other material that will be distributed after the Minister has delivered his statement. You all have copies of the statement now, so Mr. Drury will present his statement.

Hon. C. M. DRURY (*Minister of Defence Production*): Mr. Chairman and gentlemen, I am very happy to have been provided this opportunity to make a statement to your committee on civil emergency planning in general and on the activities of EMO in particular. The honourable members should keep in mind that the term "Civil Emergency Planning" as used in this context, has a broader meaning than Civil Defence. The term "Civil Defence" is usually interpreted as covering the measures taken to protect the general public, civil emergency planning includes not only civil defence measures as such, but also the planning required to help ensure continuity of government at all levels—federal, provincial and municipal; continuity of government being most important in assisting the population in surviving the conditions created by a war emergency and essential to help assure the proper conduct of the war and recovery of the economy after the emergency.

The interest by the public in the activities of EMO fluctuates with the degree of danger inherent in the international situation. There is always a great demand for information and serious concern on the part of the population whenever there is a crisis, such as the Cuban or Berlin crisis. Civil emergency planning, as military planning, cannot meet the requirements for adequate plans to protect the Canadian population if it is to work on a "stop and go" basis. On the contrary, adequate civil defence measures and civil emergency planning require long-range planning, training and testing.

Why Civil Emergency Planning Now?

For a variety of reasons, some people have argued that civil emergency planning is not necessary, that it is a waste of talent and money. We believe that civil preparations must be continued for the following reasons:

(*a*) If military defence is required, so is civil defence. Any future conflict would affect the Canadian population.

(*b*) It has been implied at times that the development and deployment of an anti-intercontinental ballistic missile system, the ICBMS, in North America might eliminate the need for civil emergency planning because of its effectiveness. This is not so! As stated in the white paper on defence "the future priority to be assigned to civil defence measures will be influenced greatly by the decision to deploy or not to deploy an anti-ICBM system . . . . In the meantime, approved projects will be completed and maintained." This is further supported by statements made by United States Defence Secretary McNamara and military leaders. Mr. McNamara has said: "The effectiveness of an anti-ballistic missile system in saving lives depends in large part upon the existence of an adequate civil defence system" and "that recommendation (of production and deployment of anti-ICBM systems) will be entirely contingent upon acceptance by the Congress of a satisfactory fallout shelter program; without a fallout shelter program there is no basis whatsoever for deployment of an anti-ballistic missile system".

(*c*) Even if no Canadian targets were involved, Canada would be affected by random hits or by fallout from explosions in the United States.

(*d*) Effective use can be and has been made of civil defence in peacetime disasters to save lives. This is an immediate and practical use of civil preparations which, unfortunately, has not always been publicized.

Role and Aims of the Emergency Measures Organization

Because of the short warning time in the missile age and the consequences of a nuclear war, it was thought highly desirable to help ensure, not only the survival of the Canadian people, but also the continuity of government. Civilian control and leadership must be maintained in wartime. Seventeen departments and agencies have been assigned emergency roles and therefore are involved in varying degrees of planning, as required, in close co-operation with provincial authorities whenever applicable. Appendix 1 to this statement gives an outline of departmental responsibilities. These responsibilities are subject to review in the light of developments in emergency planning. With your permission, Mr. Chairman, I will make it available for the record without reading it.

The CHAIRMAN: Is that agreed by the committee?

Mr. DRURY: For the reasons given above and to ensure co-ordination of all planning, the emergency measures organization was established officially by a 1959 order in council (P.C. 1959-656) dated 28th May 1959, amended in 1963 (P.C. 1963-993) dated 27th June 1963, which indicates that the Minister of Defence Production shall have and through the emergency measures organization, shall exercise the following civil defence powers, duties and functions:

(*a*) the co-ordination of civil defence planning by departments and agencies of the government of Canada;

(*b*) the preparation of civil defence plans in relation to matters that are not the responsibility of any other department or agency of the government of Canada;

(*c*) assistance to provincial governments and municipalities in respect of preparation for civil defence where assistance is not the responsibility of any other department or agency of the government of Canada;

(d) general liaison with other countries, with the North Atlantic Treaty Organization and with provincial governments on matters relating to civil defence; and

(*e*) direction and administration of the Civil Defence College at Arnprior, Ontario.

The aims of EMO are threefold

(1) To plan measures, including the most sensible use of our resources, that will assist the population to survive the hazards of a nuclear or conventional war.

(2) To plan for the continuity of essential elements of all levels of government so that civilian leadership, guidance and necessary instructions can be given to the Canadian people.

(3) Provision of assistance to provinces, and through them to municipalities, in developing their emergency services to meet disasters, through the medium of financial assistance on the basis of up to 75% federal contribution, the provision of training courses at the Canadian Civil Defence College and, generally, through the preparation of planning guides.

High Priority Programmes in Civil Emergency Planning

A great number of measures can be taken to ensure the preparation of complete plans. However, it has become necessary to deal with priority areas related to the two basic requirements: Public survival and continuity of government. To meet these requirements, the following high priority programmes were agreed:

(*a*) Public Survival

(1) Provision of warning of attack systems, including the location of explosions and fallout reporting. This is, and has been, a responsibility of the Department of National Defence.

(2) Provision of an emergency broadcasting system, capable of operation under fallout conditions to give instructions to the public and information of a general character on the conduct of war.

(3) Implementation of a public information programme with emphasis recently on instructions to the public in times of emergency, to assist in the saving of lives.

(4) Provision of emergency medical and welfare supplies and services.

(5) Protection against radioactive fallout. This is being effected through the provision of shelters, radiological defence and instructions.

(6) Preparation of plans for the mobilization of resources required in an emergency, e.g. supplies, manpower, communications, transportation, essential utilities. A system is under development for the rapid evaluation of the resources remaining after an attack.

(*b*) Continuity of Government

The following measures have been taken:

(1) Provision of emergency government headquarters and departmental supporting units, with adequate communications, at the federal, regional or otherwise provincial and zonal levels of government and also at the municipal level, wherever considered necessary. These preparations include arrangements for the warning of designated officials, their transportation on short notice and the manning and operation of facilities, with essential records available. (The construction and operation of central and regional emergency government headquarters is at present a responsibility of the Department of National Defence.)

(2) Drafting of emergency orders and regulations to ensure legal continuity of governmental authority by delegation of powers and decentralization of services, keeping in mind the need for close co-operation between federal and provincial authorities.

(3) Preparation of war books and readiness plans for all departments and agencies, outlining in summary form, for quick reference, plans and actions to be taken, the authorities, the inter-relationships of departmental activities, areas where government decisions are essential, and other related matters.

(4) Carrying out of training programmes, studies and exercises.

Progress to Date

I would not like to read to you a list of achievements in civil emergency planning to date and by emergency measures organization in particular. Again with your permission, Mr. Chairman, this outline will be made available for the record as Appendix 2 to this statement. A good deal remains to be done, however, to complete the above mentioned high priority programmes. It is suggested that this might be carried out over a period of some five years, and follow the following general lines.

1. Completion of the warning of attack systems, including location of nuclear detonations and fallout reporting.

2. Protection of the emergency broadcasting system facilities and personnel.

3. Completion of the network of emergency headquarters with communications. The zone programme is now underway.

4. Completion of the medical stockpile programme and provision of additional welfare supplies and services.

5. Consideration is being given to the initiation of a public shelter programme by the identification of available shelter space in existing buildings and with the provision of only the minimum of ventilation, water and sanitation. A survey of all federal buildings has been completed. Another survey of all public buildings is being carried out in Alberta to develop techniques of survey which could be applied in a national survey, and to determine the amount of fallout protection which could be made available for public use generally.

Major Points of Interest

Emergency measures organization is aware of the need to keep up to date with planning assumptions, research and development and to plan on a long-range basis in a co-ordinated and practical fashion. Consequently, the following points are of interest:

1. Close co-ordination with military plans for survival operations is most important. As stated to your committee by General Walsh on 11th July 1963, for budgetary reasons, "The full manning of survival operations system had to be curtailed". As indicated previously, the national defence programmes in warning system and emergency government headquarters are not complete. This affects civil emergency planning. It is recognized that there must be close consultation between emergency measures organization and Department of National Defence.

2. To assist in long-range planning, consideration will be given to the allocation of a five-year plan to emergency measures organization and civilian departments interested in civil emergency planning.

3. Greater emphasis will be placed on preparations for assistance in peacetime disasters. Whatever plans are made or services provided here, they would also be useful for a nuclear or conventional war emergency.

I would hope that the above statement has indicated to the honourable members of the committee the need for civil emergency planning in Canada, as outlined briefly above, and as carried out by the emergency measures organization and departments or agencies in their effort to help ensure public survival and recovery of the Canadian economy in and after possible wartime emergencies, and the saving of lives in peacetime distasters.

Appendix 1 to
Statement on CEP

Civil Emergency Planning—Departmental Responsibilities
In Wartime

1. Agriculture

(1) Production on the farm including the provision of advice and guidance to farmers on the protection of farms, crops and livestock against wartime hazards such as radiation.

(2) Be responsible for inspection and regulatory functions relating to the quality and wholesomeness of food, to its freedom from an unacceptable degree of radioactive contamination, to plant and animal insect and disease control.

(3) Make post-attack assessments of the availability of farms, crops and livestock.

(4) Provide assistance and advice to provincial governments on a combined federal-provincial organization to carry out the above-noted civil emergency powers, duties and functions.

2. Defence Production

(1) Establish a War Supplies Agency to

(*a*) make post-attack assessments and determine the availability of surviving resources of food, energy, ready-to-use survival materials, production facilities and raw and semi-processed materials;

(*b*) assess supply requirements based on claims submitted by other departments and agencies at all levels of governments; compare requirements with availabilities; make reconciliation of competing claims and establish priorities as required;

(*c*) make arrangements for control and bulk redistribution of food, energy, suvival materials and other essential commodities including those in government-owned stockpiles, except medical stockpiles and articles or equipment or things under control of the military authorities;

(*d*) regulate internal and external trade where practicable, particularly with respect to rationing, price control and foreign trade;

(*e*) procure by purchase, requisition, or other means, all goods and supply services required by government for civil and military purposes;

(*f*) control international supply transactions and maintain effective liaison for this purpose with supply agencies established by NATO or its members, specially the United States of America; and

(*g*) control industrial production, including the allocation of raw and semi-processed materials.

(2) Manage any government sponsored stockpiles of supplies, except military and medical supplies.

3. External Affairs

(1) Assess the international situation and report to Cabinet on international developments.

(2) Conduct relations with foreign governments and international organizations.

(3) Protect Canadian interests in other countries.

(4) Participate in information activities abroad in consultation with other interested government departments and agencies, including the provision of general policy guidance to the international service of the Canadian Broadcasting Corporation.

(5) Maintain and operate communications facilities for purposes described in paragraphs (1) to (4).

(6) Assist and advise other departments on matters having international implications.

(7) Interpret, in consultation with other departments as appropriate treaties and other international agreements to which Canada is a party.

4. Finance

(1) Through the Department of Finance

(*a*) assess the availability of and restore banking and other necessary financial facilities, and exercise emergency controls over all financial institutions, including the Bank of Canada;

(*b*) provide and control the use of funds to cover normal and emergency federal expenditures including

(i) funds needed to re-establish the working capital of essential business, and

(ii) emergency financial assistance to provinces;

(*c*) advise cabinet respecting the imposition of emergency taxation and other emergency fiscal measures;

(*d*) advise cabinet on priorities to be given to competing demands on the financial and economic resources of the country in collaboration with other departments;

(*e*) implement financial moratoria as required, and

(*f*) conserve foreign exchange and control international financial transactions, in collaboration with the Bank of Canada and the chartered banks.

(2) Through the Bank of Canada

(*a*) provide assistance and advice to the Department of Finance on financial matters, as required;

(*b*) if required, operate a foreign exchange control system in collaboration with the Department of Finance, and

(*c*) have performed those normal functions and duties of the Bank of Canada as may be essential, dependent on the survival of facilities and the circumstances of the emergency and the directions of the government of Canada for which the bank is fiscal agent.

5. Fisheries

(1) Assume control over all fish catching, landing and processing operations up to the point where consumable fishery products enter into storage or directly into distribution channels.

(2) Make post-attack assessments to determine the extent of survival of fishermen, fishing vessels and gear, fish processing plants and fishery products in storage.

(3) Requisition or appropriate, or procure by contract or agreement as required the services of fish producers, fishery products, fishing vessels and gear used in catching fishery products, dock-side facilities required for landing such products, and fish plants and fish processing equipment.

(4) Carry out inspection procedures to determine

(*a*) whether a fishery product is suitable for consumption, and

(*b*) the extent if any of radioactive contamination of fishing vessels, plant and equipment and fishery products.

(5) In collaboration with other agencies of government, control the movements of and protect fishing vessels.

6. Justice

(1) Through the Department of Justice,

(*a*) formulate and implement emergency measures and advise the cabinet in connection therewith;

(*b*) advise other departments and agencies on legal problems that may arise in connection with the re-establishment and maintenance of the normal functions of government, and

(*c*) perform in relation to the emergency, the normal duties and functions of the Department of Justice.

(2) Through the Royal Canadian Mounted Police,

(*a*) exercise responsibility for

(i) the internal security of Canada in all matters of subversion and espionage,

(ii) the protection of specified vital points,

(iii) Port and travel security control,

(iv) the administration and operation of civilian internment camps, and

(v) the providing of assistance to other services and departments in the identification of persons unable to identify themselves;

(*b*) exercise responsibility in accordance with the police jurisdiction of the R.C.M. Police and in co-operation with other police forces, for the internal security of Canada in all matters of sabotage and police assistance in the enforcement of federal statutes and emergency legislation, and

(*c*) assist provincial and municipal governments and their police forces as requested in all matters pertaining to the co-ordination of emergency police planning and operations.

7. Labour

(1) Establish a National Emergency Manpower Authority to

(*a*) control and allocate all civilian manpower except those persons exempted from its authority;

(*b*) formulate general emergency manpower policies based on assessment of manpower needs and resources, and recommend any necessary legislation relating thereto;

(*c*) establish essential activities and critical occupations as a basis for manpower priorities, and

(*d*) maintain liaison with other elements and agencies of emergency government on matters relative to manpower mobilization and utilization.

(2) Through the services of the Department of Labour,

(*a*) analyze national manpower needs and resources;

(*b*) make recommendations to the authority concerning changes necessary in the priorities of essential activities and critical occupations, and

(*c*) control labour-management relations, conditions of employment and wages.

(3) Through the services of the Unemployment Insurance Commission,

(*a*) provide the principal field representatives of the national emergency manpower authority;

(*b*) prepare and disseminate directives and instructions for the control and allocation of manpower;

(*c*) apply and enforce manpower priorities and controls, and

(*d*) provide local labour market information and analysis.

8. National Defence

(1) Provide technical facilities and operate a system to give warning to the public of the likelihood and imminence of an attack.

(2) Provide technical facilities and operate a system to determine the location and yield of nuclear explosions together with the predicted and actual patterns of fallout, and

(*a*) give the necessary warnings of fallout to the public;
(*b*) prepare preliminary estimates of casualties and weapons effect data from which physical damage or other hazards may be estimated, and
(*c*) co-ordinate and collate nuclear activity data from other available sources.

(3) Provide, maintain and operate a communication system for the national emergency government.

(4) At the request of the regional commissioner, or if communications are not available as may be necessary, control, direct and co-ordinate all survival operations in areas damaged by nuclear explosions or seriously contaminated by radioactive fallout, including

(*a*) the conduct of necessary operations, including rescue, first aid to the injured and decontamination, in these areas;
(*b*) the maintenance of law and order, the control of traffic, and the movement of people;
(*c*) the allotment of firefighting and police tasks;
(*d*) the allotment of tasks for the restoration and maintenance of essential public utilities and services, and
(*e*) during operations the co-ordination of such support as may be required by civil agencies working under the direction or control of the army in these areas.

(5) Provide, as requested, and having regard to other commitments at the time, emergency support to provincial and municipal authorities in the conduct of any survival operations which may be undertaken by these authorities during an emergency.

9. National Health And Welfare

(1) To be responsible through an emergency health services organization for

(*a*) assistance and advice to provincial and municipal governments and other agencies in the operation of emergency medical, nursing, hospital and public health services, and in the health aspects of the provision of potable waters;
(*b*) assistance to provincial and municipal governments in the provision of medical and health supplies from the national medical stockpile;
(*c*) the inspection and regulation of health standards for drug and pharmaceutical manufacture;
(*d*) advice to the war supplies agency in the manufacture, procurement and distribution of medical and health supplies;
(*e*) the establishment of regulations covering the health standards for food and food products including the permissible levels of radioactive contamination;
(*f*) the control and allocation of civilian medical professional manpower, other than members of the Canadian Forces, i.e. physicians,

dentists and nurses, and direction or supervision of allied health manpower allocated to emergency health services;

(*g*) medical advice to departments and agencies on the health hazards of radiological, biological and chemical warfare and on general health problems;

(*h*) detailed medical estimates of traumatic and radiation injuries;

(*i*) an estimate of damage to medical installations and an assessment of surviving medical manpower, and

(*j*) the co-ordination of medical mutual support action between the provinces and between Canada and the United States of America.

(2) To be responsible through an emergency welfare services organization, for

(*a*) assistance to provincial and municipal governments in the operation of emergency welfare services, consisting of emergency feeding, clothing, lodging, registration and inquiry, and personal services and without restricting the generality of the foregoing

(i) control and allocate federal welfare material and assigned personnel resources, and

(ii) in consultation with other departments, advise on priority use of essential survival resources, both material and personnel available throughout the country;

(*b*) operating emergency welfare services within a province or provinces where adequate services are not being provided, including the priority requisitioning of accommodation for emergency lodging purposes during the immediate survival phase following a nuclear attack, and

(*c*) co-ordinating welfare mutual support action between the provinces and between Canada and the United States of America.

10. Postmaster General

(1) Operate postal services under emergency conditions.

(2) Distribute and handle emergency change of address and safety notification cards.

11. Public Works

(1) Establish in conjunction with the provincial authorities a wartime organization responsible through central, regional, zonal and local authorities for the control of all accommodation including

(*a*) the use of all existing and useable accommodation, including the requisitioning, appropriation and procurement of property, dwellings, commercial and industrial accommodation, except during the shock phase where these controls may be exercised by emergency welfare services and other emergency government services delegated such authority;

(*b*) rent and sale controls, and

(*c*) the allocation of rehabilitated or newly constructed accommodation.

(2) Through Central Mortgage and Housing Corporation assist the provincial authorities in the general co-ordination and implementation of emergency housing construction programmes, including the provision of the associated water, sewage and other utility services.

(3) Assist the provincial authorities with wartime maintenance and construction programmes for roads and road bridges, and co-ordinate the interregional and international aspects of such programmes.

(4) Establish in conjunction with the provincial authorities a wartime organization responsible through central, regional, zonal and local authorities for the control of all engineering and construction resources, except those under the control of military authorities or other exempted emergency government services, including

(a) the direction, control and regulation of the engineering resources represented by the equipment, material and assigned manpower of engineering and construction contractors, including the various subtrades and consultant and other engineering services, and of government at all levels except that during the shock phase these controls may be exercised by the Canadian army and other emergency government services delegated such authority;

(b) the co-ordination and demands for engineering and construction resources and the allocation of these resources to meet demands which are approved by the executive authority at the appropriate level of government, and

(c) the co-ordination of demands on the war supplies agency and the national emergency manpower authority for engineering and construction equipment and manpower.

(5) Establish, in conjunction with other departments and agencies concerned, an organization responsible for the maintenance, repair, reconstruction and construction of all ports, harbours and inland waterway facilities.

(6) These wartime organizations shall not, without the consent of the military authorities or other exempted emergency government services, appropriate or control the use of accommodation buildings, water sewage or other utility service under their control.

12. Transport

(1) Place under federal government control all transportation, meteorological and telecommunications resources, facilities and services in Canada, except those operated by the Department of National Defence and the telecommunciations facilities operated by the Department of External Affairs.

(2) Establish and operate an emergency transportation control organization capable of functioning under national, regional, zonal and municipal authorities, as appropriate, to

(a) control all types of transportation facilities and services in Canada, including fishing vessels in Canadian waters, but excluding transportation facilities operated by the Department of National Defence, and

(b) direct the employment of all types of transportation to essential tasks for the survival of Canada as a nation.

(3) Establish and operate an emergency national telecommunications organization capable of functioning on the basis of decentralized authority to control all forms of telecommunications including broadcasting.

(4) Assess available transportation, meteorological and telecommunications resources, except those operated by the Department of National Defence.

(5) Provide maximum support to tasks accepted by Canada as a member of the North Atlantic Treaty Organization.

(6) Through the Canadian Broadcasting Corporation provide an emergency broadcasting service on an international, national and provincial basis

over the facilities of the Canadian Broadcasting Corporation and privately-owned stations including the operation of such facilities as required; such broadcasting to be co-ordinated to meet the general requirements of Canadian and NATO civil emergency plans.

Emergency Measures Organization,
Ottawa, June 12, 1964.

Appendix 2 to
Statement on CEP

Results to Date—Civil Emergency Planning

1. A national survival attack warning system is operational and, through sirens and emergency broadcasting, can warn the public.

2. A nuclear detonation and fallout reporting system has a limited operational capability. To complement this system, five provinces are developing a radiation monitoring capability in municipalities.

3. An emergency broadcasting system, involving participation of all radio and TV stations, is in a continuous state of readiness.

4. The army has a re-entry capability with operational plans in readiness.

5. Substantial stocks of emergency health supplies have been procured and are being located in regional depots.

6. The Canadian Civil Defence College has trained, since 1954, over 30,000 persons. Some 2,000 provincial and municipal emergency planners are being trained annually.

7. A public information programme involving press, radio, television and distribution of pamphlets, has been carried out on a continuous basis.

8. A programme of design and development aimed at reducing the costs of shelters is well in hand, and tests are conducted through the DRB.

9. A survey of all federal buildings, some provincial government buildings, and of certain mines has been made to determine their potential as fallout shelters.

10. Approximately 3,000 home shelters are estimated to be in existence but of these only 200 were built using federal financial assistance through the NHA.

11. National exercises, involving provincial and federal components of emergency government, have been conducted.

12. Through the production of planning guides and federal financial assistance, provinces have made steady progress in the development of emergency measures.

13. An urban characteristics survey of all likely target areas has been started.

14. Readiness plans have been prepared for the relocation of government at all levels with the necessary warning, movement and manning orders at the national and regional levels.

15. A national government emergency communications system, based on the Canadian army signal system, is approximately 60 per cent complete.

16. Draft orders-in-council and regulations, defining the authority to be given in wartime to federal agencies have been prepared.

17. Essential records have been selected and stored in emergency quarters.

18. Drafts of departmental war books are now being reviewed within departments, outlining action to be taken under every phase of alert and on the declaration of war.

19. Work has begun on the development of a national system for rapid assessment of damage after attack and determination of surviving resources.

20. A joint study of the effects of a nuclear attack on North America in 1965, on the economies of Canada and of the United States, is in progress.

21. An interim organization has been developed to control all types of supply, for rationing, control of prices, industrial production and external trade.

22. Arrangements have been made for a wartime manpower agency.

23. Plans for the control of all transport and telecommunications facilities are being developed.

24. Plans are being prepared, in co-operation, with provinces, for the wartime control of accommodation, engineering and construction resources.

25. Planning is going forward to provide advice to farmers, in co-operation with the provinces, on the protection of farms, crops and livestock, for the inspection of food against radiation and for the control of insects and deseases affecting plants and animals.

26. Provision is being made for catching, landing and processing of fishery products in conjunction with provincial departments.

27. Assistance and guidance to provinces is being provided by national health and welfare in the operation of emergency health services.

28. Assistance and guidance to provinces is being provided by national health and welfare in their programme to provide lodging, feeding, clothing and other personal services. This programme is well underway in eight provinces.

29. Arrangements have been made for the continuity of minimum postal services.

30. Special plans have been made by the RCMP to help ensure the internal security of the country in wartime.

1964-65

1. Conduct a pilot fallout shelter survey in Alberta in order to develop procedures and techniques should it be considered desirable to carry out a national survey.

2. Continue the shelter research and development programme.

Appendix 2 to Statement on CIP

3. Pursue the urban characteristics study.

4. Carry on the operation of the Canadian Civil Defence College with emphasis on training of key officials and staff in their essential duties.

5. Continue to develop, in conjunction with provinces and municipalities, a public information programme, with special emphasis on local disasters.

6. Emphasize the provision of equipment and give guidance for the development of the municipal radiological defence services.

7. Further encourage the development of emergency measures within provinces through the financial assistance programme and planning guides and correlate federal, provincial and local planning.

8. Improve the operational capability of the emergency broadcasting system.

9. Work even more closely with the United States in co-ordinating the respective civil emergency programmes.

10. Further implement the construction programme of emergency headquarters:

(*a*) at central level: provide for another 200 officials with staff in departmental relocation units;

(*b*) at regional level: provide departmental support units to federal and provincial elements of government in 4 regions;

(*c*) at zonal level: provide for 13 additional zone headquarters.

11. Continue evaluation of resources and provide an analysis by regions for a situation 30 days after an attack.

12. Pursue the joint study of effects of a nuclear war on the economies of Canada and of the United States.

13. Further develop the interim capability of a War Supplies Agency, with particular emphasis on operations and responsibilities at the local level.

14. Develop further planning on control of manpower.

15. Prepare more adequate plans for the use of all transport facilities with special emphasis on road transport.

16. Pursue planning for the maximum use of all communications in Canada, and generally to study the feasibility of providing a technical control organization to ensure rapid and effective use of all main commercial telecommunication systems.

17. In co-operation with provinces, continue planning with respect to agriculture and fisheries.

18. Provide further guidance and assistance to provincial emergency health and welfare services, including more implementation of emergency medical stockpiles, hospital disaster planning, surveys of health supplies and medical manpower.

19. Continue assistance, through provinces, to local police forces, continued organization of auxiliary police, and completion of R.C.M.P. emergency network.

20. Progress with planning for the necessary administrative orders and press and radio releases for pre and post-attack situations.

21. Canvass all projects and programmes rigorously in order to determine those most likely to provide peacetime as well as wartime benefits, for example dual-purpose construction serving normal peacetime purposes and fallout shelter if required, and also to determine those plans and projects likely to give

worthwhile returns in natural disasters, or in the event of conventional war, as well as under the greater demands of nuclear war.

The CHAIRMAN: That completes the Minister's statement. I think in questioning the Minister it might be wise to work through his statement, section by section, and then move on to questions in the appendices that go with the statement. I think we should deal in the first section with the general reasons for civil emergency planning; the role and aims of the emergency measures organization; which takes us down to page 3.

Mr. Brewin was first. Do you have a question on this initial part, Mr. Brewin?

Mr. BREWIN: Yes, I have a few questions. First of all, I would like to call the minister's attention to what is said here as one of the grounds for saying civil preparations should be carried out, and it is said that U.S. defence secretary McNamara says the effectiveness of an anti-ballistic missile system in saving lives depends in a large part upon the existence of an adequate civil defence system, and again, that the recommendation of production and employment of anti-ICBM systems will be entirely contingent upon acceptance by the congress of a satisfactory fall-out shelter program.

Now, first of all, am I not correct, Mr. Drury, in assuming that at present at any rate the American government has decided not to proceed with an anti-ballistic missile system, on the grounds largely that the expense would be prohibitive?

Mr. DRURY: Well, I think the present situation is that there has been a great deal of developmental work done on an anti-ICBM system. This has led to a sytem which is very expensive, as you have mentioned, and rather than proceed to instal the presently developed system, Mr. McNamara and the administration would hope to continue developmental work, with a view to making it more economical, less expensive, to install and operate, having in mind always that an occasion may arise when even the present very high level of expense might have to be assumed if the emergency appeared to warrant it.

Mr. BREWIN: Then may I put the converse to the proposition here? Without an adequate antiballistic missile system, would not a shelter program be almost useless, because of the fact that the fall-out shelter system would not protect against blast and fire?

Do the two not necessarily go together?

Mr. DRURY: No, blast shelter and an ICBM system have a direct relationship, obviously, one to the other.

If you are able to prevent a blast taking place, you do not need blast shelters. If you have no means of preventing a blast occurring, then an argument can be made for the necessity of blast shelters. However, in either case, as Mr. McNamara makes clear, with or without an ICBM system, there will be a fall-out problem, and the degree of protection which an anti-ICBM system, at very great expense, would provide would be largely rendered useless, or wasteful, if at the same time the consequences of this protective system could not be kept from the general public through fall-out shelters.

Mr. BREWIN: Yes, but I was trying to make the point that a fall-out shelter as such is no protection against blast. There are two things, are there not, a blast shelter and a fall-out shelter?

Mr. DRURY: Correct, they are quite different.

Mr. BREWIN: Perhaps in that connection I might come over to appendix 2, but it relates to this. There is a statement in item 10 on appendix 2 that approximately 3,000 home shelters are estimated to be in existence, but of these only 200 were built using federal financial assistance through the National Housing Act.

Now, I appreciate that in addition to that there are federal buildings, and other things, other than home shelters.

Is there any estimate of the capacity to absorb personnel of the other buildings, other than home shelters?

Mr. DRURY: As yet there is no estimate. I do not think there is probably even a guess.

As I mentioned at the end of my statement, one of the things we are doing now is to develop measuring or surveying techniques—with the co-operation of the government of Alberta—with respect to measuring or surveying, with a view to fall-out protection, all public buildings in Alberta. The object of this is to try and develop a satisfactory method of measuring and cataloguing all public buildings in Canada, with a view to determining what is available, and what the capacity would be, but we have not yet got the answer to your question.

Mr. BREWIN: Mr. Drury, would you not agree that the provision of 3,000 home shelters, 200 of which were built with the assistance of the N.H.A. is totally inadequate if there is to be any serious attempt to provide shelters which would have any real meaning in the case of a nuclear war?

Mr. DRURY: Manifestly 3,000 home shelters is not going to do very much to protect a population of some 18 million against fall-out. I do not think there is any question about this.

The provision of home shelters to be constructed at the owner's expense has not in the past proved to be attractive on the basis of encouragement, exhortation, and the provision of plans by the public authorities.

The alternative to it being done at his expense is to do it at public expense, and this would entail on the part of the government for huge sums of money.

It is for this reason that we are proceeding to ascertain what might be the capacity of, not homes, but public buildings across Canada.

Mr. BREWIN: Well, I do not want to monopolize the questioning. I am sure others have questions, but I would like to finish up by saying that is it not misleading in fact to pretend that without vast expenditure of money we can provide defence against nuclear warfare, any substantial protection?

Mr. DRURY: We can with modest expense, I think, provide defence against some of the aspects or effects of nuclear war. Now, I think this is hardly my field, but I understand that in your discussion of defence policy, it has been made clear that a massive attack, direct attack, on Canada itself is not very likely, not very probable, and the principal thing which Canada as a whole—I am not talking about specific areas, but as a whole—has to be on guard against is fall-out.

Mr. BREWIN: Well, I do not think, if I may comment on your observation, that we got the impression, at least I did not, that Canadian centres of population would be immune. We got the impression that Canada would not be attacked alone, but if you envisage an attack on North America, surely some Canadian centres might call for some attention, and in this event would have much more than fall-out to worry about.

Mr. DRURY: In those centres?

Mr. BREWIN: Yes.

Mr. DRURY: And I tried to make that point, that in these particular possible target areas, obviously one has to worry about more than fall-out. The only protection against this kind of attack is destruction of the attacking weapon. It is impracticable, I think most people have agreed, impracticable to try and construct a shelter which will be immune to direct attack. I say impracticable in terms of cost, not of technological capability, but impracticable in terms of cost, certainly for a country like ours, but at the same time, through

intelligent organization of existing buildings, and particularly large public buildings, with comparatively little expense in the way of provision of additonal facilities, it should be possible to prepare a fairly large measure of protection against fall-out, which represents in terms of population numbers, the largest threat. It poses the threat to the greater number of people in Canada.

Mr. BREWIN: I wonder if I might ask just one more question. Is it not true that as you provide a shelter program, countermeasures are likely to be provided equally quickly?

In other words, are you not running a race that you can never win?

Mr. DRURY: In respect to fall-out shelters?

Mr. BREWIN: Yes.

Mr. DRURY: I do not think so, no. To the best of my knowledge there has been no modification of these explosive weapons designed to make fall-out either more lethal or more penetrating, or to overcome the kind of protection which a fall-out shelter provides.

Mr. BREWIN: I will provide you later with an article I have, indicating that the bulletin on atomic science does not agree with your conclusion.

Mr. HARKNESS: First of all, I would like to ask Mr. Drury is the cabinet committee on emergency measures organization still in operation?

Mr. DRURY: It is still in operation.

Mr. HARKNESS: And that continues to be, really, the chief co-ordinating body for getting all departments of government worked into the emergency measures organization scheme?

Mr. DRURY: Well, this is one of the centres of co-ordination, that is correct. When you say chief, I am not quite sure how you measure co-ordination.

Mr. HARKNESS: Well, with the large number of departments which are directly involved in this, and at least half a dozen who have to play a major part in any effective scheme, it seems to me a committee of that kind is perhaps essential in order to bring their activities into any reasonable working arrangement.

Mr. DRURY: I would agree with this, and this is the obvious reason why the body has been continued, and is continuing in operation, continuing to function.

Mr. HARKNESS: And is the annual conference on emergency measures with the provinces still taking place?

Mr. DRURY: I do not know. There has been a formal annual conference, has there?

Mr. PAUL FAGUY (*Director, Emergency Measures Organization*): Not in the past year, sir, but it is intended. We hope that there will be one, sir.

Mr. HARKNESS: There is no definite date set for that meeting?

Mr. DRURY: No.

Mr. HARKNESS: Well, I would suggest that this is one of the essentials as far as coordinating the federal government's activities and the provincial and municipal governments' activities.

It always seemed to me, when I had responsibility for these operations, that this was the only means by which we made progress in coordinating the provincial and federal governments.

Mr. DRURY: I agree with you, this is a very useful step and as Mr. Faguy has mentioned, it is planned to continue with this type of collaboration and co-operation.

Mr. HARKNESS: Well, I would hope that there might be some definite date set for that, and the committee might be informed of that before the present session is over.

I regret to hear that there has been no conference since, I presume, the last one I presided over, which will be two years this coming December.

Mr. DRURY: Well, there has not been one, I know, since April, 1963, and I am not sure of the last date previous.

Mr. HARKNESS: The last one I know of, I think, was in December, 1962.

Mr. FAGUY: Yes, December 29, sir.

Mr. DRURY: We did miss in the calendar year, 1963. I would hope that we would not miss in the calendar year 1964.

Mr. HARKNESS: Well, I would have just observed, Mr. Chairman, I hope that this committee might recommend that this conference be held in the fairly near future.

Now, on the first page of your presentation you have a statement from the white paper, the future priority to be assigned to civil defence measures will be influenced greatly by the decision to deploy or not to deploy an anti-ICBM system.

I cannot see, myself, why that is. What effect will the decision to deploy or not to deploy an anti-ICBM system have on the extent to which you carry on emergency measures?

Mr. DRURY: Well, an active effective defence against attack will call for, or have a direct relationship on the kind of things that are done in respect of civil defence.

Mr. HARKNESS: Why?

Mr. DRURY: Well, I do not think there is much doubt that an effective active defence alters, or is likely to alter, the character of the attack, and if the probable character of attack is one kind, the appropriate passive or civil defence measures would be of one kind, and if one contemplates a different type of attack, you should have different civil defence priorities.

Mr. HARKNESS: Can you give us an example which would illustrate this?

Mr. DRURY: I think probably if one were to take, by way of example, a large urban agglomeration in Canada, if there were no effective means of stopping the descent on to it of a guided or a ballistic missile, the plans for minimizing the damage to that population would, of course, be quite different from the plans that one would develop for minimizing damage to the population if there were an effective means of preventing the descent of a missile on to that same area.

Now, in one case, if there is no defence, one possible means of minimizing the damage is evacuation. If, however, you are in a reasonable position to ensure that there will be no descent, then evacuation does not enter into it as a likely, or even a probable means of dealing with means of minimizing damage.

Mr. HARKNESS: Well, what this amounts to, really, is, is it not, that if you have a guarantee that there will be no nuclear weapons discharged in this country, then you do not need any civil defence at all, or emergency measures set up, but there is no possibility that that situation will ever be reached.

Mr. DRURY: Well, let me deal with the first premise. I would not agree that the guarantee of no nuclear explosions on Canadian cities would do away with the need for emergency measures planning, and emergency measures organization.

There will still, even with an effective theoretical defence, be problems of fall-out arising from either detonations on the surface in Canada in non-populated areas and detonations on the surface in the United States. Both of these will produce a fall-out danger, a fall-out problem, in Canada.

Mr. HARKNESS: But is not the actual situation the same in this regard as it has been down through the ages in regard to any weapon? No perfect defence has ever been evolved against any weapon, and it is beyond the bounds of credibility that any perfect defence will be evolved against ICBM's, or other means of delivery of nuclear weapons.

Therefore, is not the situation that we have to accept that some weapons in the event of a war of that type developing will land in this continent, and therefore we are going to have the emergency measures program, or the necessity for it, always with us.

This is why I do not understand this phrase here that it is going to depend on whether an ICBM system is put in or not. In my view, I think you have to have this emergency measures organization, the arrangements for continuity of government, the arrangements for trying to ensure that as many as possible of your population survive, irrespective of the defence which is evolved against ICBM's.

Mr. DRURY: Well, I think perhaps the phrase that you have quoted may not have been—

Mr. HARKNESS: It is not a very happy phrase, I would say.

Mr. DRURY: —as lucid. What was meant was rather not that the continuation or otherwise of civil defence measures will depend, but that the priorities within civil defence will change, depending on whether or not there is an effective anti-ICBM system.

I agree heartily with you that regardless of whether we have this, we must have—

Mr. HARKNESS: I would agree that there might be a difference in emphasis depending on how effective an ICBM defence you think you have, but it would be just a difference of emphasis. It would not materially alter what you have got in the way of emergency measures organization.

Mr. DRURY: I agree heartily.

Mr. HARKNESS: Now, on this question that Mr. Brewin raised in connection with the blast protection, fall-out protection, home shelters, and so on.

Is not the situation this, that as far as any area where a direct hit is concerned, you are going to have any centre of that area, depending on the size of the warhead which is dropped there, an area of total destruction. It would not matter what degree of blast protection you put in. You would have nothing left anyway, and therefore you are in a situation where not only from the financial point of view, but from the practical point of view, it is not much use trying to provide blast protection except for a very limited number of, we will say, government headquarters, where you would hope there would not be an absolute direct hit, and therefore the headquarters would be able to survive and operate.

Mr. DRURY: That is correct.

Mr. HARKNESS: On the other hand, fall-out may take place, and in the event of a nuclear war, it probably would take place everywhere in the country, and therefore there is every argument for providing fall-out protection, more or less universally.

Well, has the government at the present time any program of encouraging to a greater degree than has been the case up to date the building of home shelters?

Mr. DRURY: There are no plans for doing anything more in respect of home shelters than has been done in the past.

There is a continuing development program, the purpose of which is to try to devise for the home owner the most satisfactory, easiest, and the most economical methods of him providing for himself, and at his own expense,

modifications to his own home, to provide a reasonable measure of fall-out protection, and a continuation of the program to make this information readily available to home owners all the way across Canada, but it is not contemplated at the present time that there will be any extension of this limited program by way of direct financial assistance to home owners, or the provision of material, or items at government expense to home owners.

Mr. HARKNESS: Yes, well, I think myself it is very regrettable that the efforts which were made in the way of putting out pamphlets, and so on, which were put out in very large numbers, outlining how a cheap home shelter could be constructed, and encouraging people to put in the home shelters, did not meet with more success.

As you have pointed out here, the number of people who will build a shelter is really related directly to a crisis developing. As soon as a crisis begins, people start building shelters, and as soon as the crisis is over, everyone forgets about it.

I recognize that it is a very difficult problem to get practical results on.

Now, in that connection, is any consideration being given at the present time to a scheme which was designed to encourage this, and which was under active consideration some two years ago, of the houses owned by the government? A large number of them are Department of National Defence houses, of course, but there are also Department of Transport, and Department of Northern Affairs and National Resources, which have housing owned by the government. The scheme was to build fall-out shelters in any new construction, and to put them into construction already existing, and there was no final decision made on that the last that I was concerned with it, but it was under very active consideration, and in fact it was almost agreed to at one time.

What is the situation of that program at the present time?

Mr. DRURY: It is not under active consideration at this time.

If I may make an observation on this, such a program would have as its objective either the provision, as its end object, the provision of a limited number of fall-out shelters, at government expense, to a selected group of people, and this, I think, would perhaps be rather unfair, in that those who happened to be occupying government-owned quarters would have at public expense, personal fall-out shelters, whereas the vast bulk of the population would not.

There is, therefore, in such an arrangement some element of inequality, if this were to be the object of installing these in government-owned quarters.

If the object, however, is to serve as an example, or an encouragement, to the general public to emulate it, I myself would have very serious doubts as to the effectiveness of setting this kind of example. I think it would likely lead, in the present state of the general public's view of the international situation, to no more being done than has been done by home owners now under the present state of exhortation, and this type of example, I do not think would materially increase the numbers of private owners who are prepared to take it on their own.

The CHAIRMAN: If I might interrupt just a moment, I have six other questioners. I have been arbitrarily trying to work it out on the basis of about ten minutes each so that everyone would have an equal chance to question.

Mr. HARKNESS: I would agree that the argument in connection with this revolved around the points which you have just mentioned, but it seems to me that if the government does not provide fall-out shelters in housing which it owns and operates itself, it is pretty difficult to persuade the general public, the individual, that he should put one in his own place.

In other words, I do not think there is any chance at all of very many individuals putting in fall-out shelters, unless they do have an example of

this sort provided for them, if the government takes the matter sufficiently seriously that they provide fall-out shelters in houses owned by themselves.

Mr. DRURY: I certainly agree with that proposition, that unless the government sets the example it is unlikely that the public will take the lead. There is not much disputing that.

However, I still think that even if the government were to set the example, at this juncture it would not be followed.

Mr. HARKNESS: But will you not agree that if the government does not set an example of this kind, you might just as well forget about the fall-out shelter program?

Mr. DRURY: Rather than forget about it, I would rather that for the time being the emergency measures organization should limit itself to endeavours to develop the most effective economic means of modifying homes to provide fall out protection, and to disseminate this information to the public interested in it, and when the general atmosphere appears to be more receptive, more likely to be receptive, to the notion of fall-out shelters in homes constructed at the owner's expense, then would be a more appropriate time for setting the example.

In the meantime, I do think that the emergency measures organization should continue to do what it can in the provision of fall-out protection in public buildings, buildings at all levels of government.

Mr. HARKNESS: I would like later, when some other people have talked, to come back to this matter of the provision of public shelters.

At this particular point, I would just like to make this final observation. It seems to me, then, that the government has adopted the same attitude as that of the general population, that the international situation is not such that it really warrants the expenditure of the funds required for fall-out shelters in its own houses.

Mr. DRURY: In homes, that is correct, but one must distinguish between fall-out shelters in homes, and fall-out shelters provided in public buildings.

Apart from anything else, on a per capita basis, per capita protection, the provision of fall-out shelters in public buildings is very much cheaper than the cost per head to protect in a home.

Mr. FANE: You would not have any trouble getting them built as soon as the first ICBM lands.

Mr. BREWIN: That would be a little bit too late.

Mr. SMITH: A few months ago, an American nuclear physicist was on a television program in Toronto, and in answer to questions very much like Mr. Brewin's questions to you today, sir, he made these points: that since an enemy attack would be for the purpose of conquest, they would want to conquer as much of the country as they could in a viable state; that they would be likely to direct the main attack towards vital targets; and that since few of these vital targets were in Canada, and most of them were in the United States, he suggested that civilian defence and survival training was more possible, and more likely to be effective, in Canada, and therefore was more important for Canada than the United States.

Would you agree with that?

Mr. DRURY: Well, I would agree with what I take to be the general proposition.

Mr. SMITH: That our survival chances are better?

Mr. DRURY: Our survival chances are better in the event of a massive attack, and one is talking about probabilities in all these cases, our survival chances are better, and the kind of threat we face is more easily countered than would be the probable threat to the population of the United States.

Mr. SMITH: So, therefore, survival steps in Canada are probably more worth while than they are in many parts of the United States?

Mr. DRURY: Well, let me put it another way, which perhaps says the same thing. For a dollar invested in this field, we in Canada are likely to secure more survivability than a dollar invested in the United States would provide.

Mr. SMITH: Therefore, with our survival in Canada, it does not necessarily follow that we should follow the lead, or the lack of lead, which is given by the United States, whose problem is considerably different from ours.

Mr. DRURY: Well, I do think that there should be some relationship between the steps taken by the United States and the steps taken by ourselves, but that the emphasis we place on one form of emergency measures may well be quite different from the emphasis placed by the United States on the same form, or on the relative forms.

Now, I think what you are suggesting is that if the United States goes all out on emergency measures, or civil defence, we should not necessarily follow right along in their trail, and conversely what you do argue, perhaps a little more strongly, is that merely because the United States does nothing is no reason why we should be doing nothing.

Well, you must look at the other side of the coin, too, and if one is true, so is the other. I would agree with you that a dollar spent in Canada is likely to produce more survivability than a dollar spent in the United States. You must remember, however, that what we are contemplating here is basically a form of insurance against a contingent event, having in mind that if the United States takes out no insurance at all against this risk, that is perhaps not a compelling reason that we should take none.

On the other hand, if the United States is prepared to invest very heavily now in this kind of insurance, one must bear in mind that we in Canada can get the same insurance coverage for considerably less cost.

Mr. SMITH: A minute ago you spoke of the difference of emphasis. Would it be a fair conclusion that you think the emphasis in Canada perhaps should be on fall-out shelters, rather than blast shelters?

Mr. DRURY: Precisely.

Mr. SMITH: And one or two final questions on this curiously muddled sentence in the white paper. There is no assurance, or guarantee, that any anti- until it has been tried.

Mr. DRURY: Well, this is a generality.

Mr. SMITH: Well, there is no assurance that any defence system will work until it hos been tried.

Mr. DRURY: We could say that there is no assurance anything will work until it has been tried.

Mr. SMITH: Yes.

Mr. DRURY: All right. I will not argue that too much.

Mr. SMITH: So, just to make it perfectly clear, your feeling is that the effect of the deployment of an anti-ICBM system by the United States will not be whether or not we will have survival training and emergency measures organization set up, but only the direction.

Mr. DRURY: The kind of direction, that is right.

Mr. MACRAE: My questions have to do with Order in Council P.C. 1963-993, and I would ask the minister if that is, as listed here, is that the order in council complete, all that particular one which actually designates the Minister of Defence Production as the responsible minister, and then spells out certain duties. Is that order in council complete here, or are there others?

Mr. DRURY: When you say complete, do you ask if this particular order in council is an outline, or tell the whole story?

Mr. MACRAE: Yes?

Mr. DRURY: The answer is no. It is a complete order in council. It has got a heading, and a date, and a signature.

Mr. MACRAE: I do not mean about the formalities, but in the body of it. Is that in here?

Mr. DRURY: No, this is an order in council under the public service rearrangements and transfer of duties acts, and it merely transfers to the Minister of Defence Production the responsibility for the emergency measures orgonization.

Now, the order in council which is the basic one establishing the organization itself is the 1959 order in council.

Mr. MACRAE: Then the second question, have there been other orders in council, other than this one of 1959, and this one of 1963 in connection with this? Are there others?

Mr. DRURY: None directly relating to the emergency measures organization. There have been general orders in council, covering the whole of the government service, and so on, which have a bearing on the emergency measures organization, or the personnel within it, but not specifically related to the emergency measures organization.

Mr. MACRAE: Well, my final question, Mr. Chairman, what changes have been made in the whole basic plan of the emergency measures since you took over, Mr. Drury? Are there any, or are you in effect—and perhaps a brief answer here is all that is required—are you in effect carrying on the plan as it was set up before 1963?

Mr. DRURY: Carrying on the organization which was in existence prior to 1963, and with the kinds of change in emphasis which I have indicated in my outline remarks, the program which has been evolving gradually since 1959.

Mr. MACRAE: So there have been no basic changes, other than in emphasis?

Mr. DRURY: There have been no basic changes in direction.

Mr. GROOS: I wanted to ask the minister a few questions on the matter of co-ordination and co-operation with the United States.

I recall when we visited NORAD, at Colorado Springs, there was a very close liaison between their civil defence organization and the North American air defence organization. They were both in the same building, and their job seemed to be largely centred around providing early warning of the point of impact of ICBM's, and in providing confirmation, through various sensors, and so forth, that the impact had taken place in that area.

I notice that there were a number of these sensors spread all over the United States, but they did not extend up into Canada, and this seems to suggest to me a very great gap, a very dangerous gap, and I could not quite see the reasoning behind this.

It suggests to me a very legitimate field for civil defence planning, and I was going to ask the minister if our defence plans, or our civil defence plans, include closer co-operation with the United States, and perhaps an extension of these sensors up into Canada, because it seems to me that it is an over-all problem, and not just one that is confined to the United States.

Mr. DRURY: Well, I think most members of the committee will be pretty familiar with the co-operative arrangements which NORAD represents, and as you remarked there is in the NORAD headquarters a United States civil defence unit, and there is a link between the United States air forces and

the United States civil defence organization, not only at the level of the NORAD headquarters, but at United States air defence subordinate headquarters.

The same organization obtains in Canada, and there is the same chain of command and information on the civil side that there is on the military. At North Bay there is the same arrangement for co-operation and inter-communication between the military in the North Bay headquarters and the Canadians in the civil defence organization, and even at subordinate Canadian headquarters there is the same crossover.

I would suggest that while there may be in some areas differences in either the type or scales of equipment provided for civil defence in certain regions of the United States and regions in Canada, the general organization, the general level of activity is intended to be substantially the same.

Because of the over-all part played by the Canadian army in civil defence, and I mention in my statement that national defence is responsible for the construction and operation of the main governmental regional headquarters, there is a representative of the Canadian army at Colorado Springs. It is the headquarters of NORAD, and he is the liaison between the NORAD command directly through to the Canadian element.

Mr. GROOS: Well, that partly answers my question, Mr. Chairman, and I can understand that there is complete co-operation in so far as we in Canada could be warned through the United States, and by using their computers of the projected impact area of these ICBM's, but it seems to me that the thing that is lacking is the method of confirming that the missiles actually have fallen in this area, and of course this very much affects our problem in so far as we are interested in fall-out, and we must know exactly where, and in some area that is not too highly populated these missiles have fallen, so I really was interested in finding out whether we have any plans for providing these sensors in this country.

Mr. DRURY: Well, we have, as they have in the United States, an organization and system of reporting the location of detonations, and reporting on fall-out.

Now, these will vary as to how continuous and how extensive on a full time basis such an organization should be.

We now have the skeleton of such an organization, and part of the continuing growth or improvement of the emergency measures organization includes the improvement of the communications of this particular group for locating and reporting of nuclear detonations.

Mr. GROOS: One last question, then, Mr. Chairman. Is this organization and this system that we have completely coupled in with that of the United States, and if so, why would it not have been shown down there in NORAD?

Mr. DRURY: Well now, why it was not shown down there, I do not know. There is a Canadian system. There is provision for cross-linking the exchange of information at every level as between the NORAD regional headquarters and as between the NORAD stations, on a north-south basis, and our nuclear detonation reporting system is linked to, and works with the United States system.

Now, why it was not displayed, I frankly do not know.

Mr. MCNULTY: Mr. Drury, I wonder whether you could give us the approximate annual cost of the E.M.O. to Canada?

Mr. DRURY: The annual appropriation is of the order of $10 million. This does not include expenditures made from the appropriations for their own sort of specialties of other government departments.

By way of example, the Department of National Defence, the Department of National Health and Welfare, the Department of Defence Production, the Canadian broadcasting corporation.

But for the emergency measures organization itself, in the accomplishment of the purposes I have outlined here, the annual appropriation has been running in the order of $10 million.

Mr. HARKNESS: Could I ask a supplementary question? Is it not that most of the expenditures for the emergency measures organization have beeen borne by the Department of National Defence?

Mr. DRURY: In the past this has been true, and these expenditures have been related principally to the provision of capital facilities. The large complex to provide an alternative to Ottawa for the operations of the government, the similar, but smaller scale headquarters in the regions, and the provision of capital equipment for inter-communication. It is quite true.

Mr. MCNULTY: Do you have any idea of the total cost, taking into consideration the amount budgeted for the other departments?

Mr. DRURY: On an annual basis, or since 1959?

Mr. BREWIN: Mr. Chairman, I wonder if I could interrupt, and refer the minister to this document in our folders, called E.M.O. National Digest, December, 1963, and the figures are given at page five of this.

This is the answer he gave in the house to a question that was asked him.

Have you seen this? I do not know whether it is accurate or not, but I think it answers the question.

Mr. DRURY: This does give a summary, yes, and I had better not offer any figures that are perhaps less accurate than these.

The approximate expenditures over the last six years, for all departments are: 57-58, 4.1 million; 58-59, 4.1 million; 59-60, 15.6 million; 60-61, 26.2 million; 61-62, 69.8 million; 62-63, 40.8 million; for a total of 160.6 million, since 1957-58.

Mr. MCNULTY: What would the approximate cost be for the average family fall-out shelter?

Mr. DRURY: In a home?

Mr. MCNULTY: In a home, yes.

Mr. DRURY: It is hard to be precise about this, but a simple home constructed fall-out shelter should be obtainable for about $500.

Mr. MCNULTY: How much of this would be government subsidy?

Mr. DRURY: In terms of direct financial assistance, nothing. There is an element of subsidy in the cost to the government of development work, to work out the plans, and the tests to ensure the usefulness of such plans, and there is also the possibility of obtaining for this purpose a loan from C.H.M.C.

Mr. MCNULTY: Does this come under their winter building program?

Mr. DRURY: When you ask do they come under, there would be no bar to a man securing the bonus for winter construction by reason of building a fall-out shelter in his house, but it would not alter the amount of the bonus.

Mr. MCNULTY: Have members of parliament ever had a practice exercise in the emergency movement of the government, and how successful was it, if they did?

Mr. DRURY: Success, of course, is I suppose a relative term. This has been practised on a number of occasions, with a satisfactory result.

Mr. MCNULTY: When was the last time?

Mr. DRURY: The last time this was done was in 1961.

Mr. SMITH: Members of parliament have a pretty low priority in this, do they not? There are other people more important.

Mr. DRURY: Well, when you say pretty low, they have a lower priority than those whose job, or whose presence is important to the continuity of an executive function.

Mr. LANIEL: Mr. Chairman, the field of questions has narrowed down quite a bit. I have been asking myself, and I still do, about the co-operation that the federal government receives from lower levels of government, and the result that it gives, actually.

I know it is purely a matter of education, and you do not give to the people something that they do not ask for, and with the sayings that we hear here and there, that a nuclear war is impossible, and people say well, we will have to chance that. It might not come, and why spend money, but I wanted to ask how much the emergency measure planning has been costing in the past year?

The figures did not impress me too much, because I say to myself the federal government has to take the initiative, and it does in the field of national defence, actually. We spend billions of dollars to defend and protect the population against an attack, or to stop wars, and all that, and I do not think we do our share in dollars and cents to protect the population against the threat of nuclear war, which is a possibility, a future possibiilty.

I do not want to put this as a question, but I think in my views, and I am just preparing the field for my main question, I feel that the federal government should do more, and should do more to protect the population, and educate the population, and I wanted to ask a question of you, sir, what would be your opinion about, let us say, an adjustment of my proposal of compulsory service, into a sort of home guards organization, which would give you a good field, the E.M.O. field, around which you may adjust your organization, this compulsory service for the people of Canada, and at the same time educate the young people, which would go back to their families, and would educate the population in general, and maybe would make the population more conscious of their responsibility in that field, and at the same time it would help this country quite a lot.

What do you think of that?

Mr. DRURY: I would certainly say that it is much more imaginative, much more, in my view anyhow, useful, to have national service conducted under the, if you like, main purpose of emergency measures, or civil defence, than it is under the aegis, or having as its purpose the teaching of young people to bear arms.

Mr. LANIEL: I am moving towards that direction. That is why I asked you that question.

Mr. DRURY: This would seem to be a much better banner under which to launch such a proposal, I agree with that, but of course one of the serious obstacles to any scheme of national service, for whatever purpose it might be, or under whatever heading it might be, is the question of cost, and whether this is the most important area to which the efforts of a very large segment of the Canadian people should be directed for, I agree, a relatively short period of their life, and in terms of the acceptable use of our total national resources, this would represent a large diversion from the present allocation of the national resources.

Mr. LANIEL: Yes, but sir, when you know that we have spent $700 million up north to protect this country about something which may never come, and might be obsolete soon, would it be worth while to look into the possibility of spending $250 million a year for such an eventuality, which would have a much broader field?

Mr. DRURY: Well now, again this is not entirely my field, but the purpose of national defence expenditure is not to protect people in the sense, I think, that you have been using it.

The purpose of this expenditure is to, in so far as we are able, ensure that this event does not take place.

On the other hand, the purpose of emergency measures expenditure is quite different. It is to protect people should the event take place, and you cannot really regard both of these expenditures being directed toward the same object. They are not, they are directed to quite different objects. One is protection in the event of something happening, and the other, the national defence expenditures, are directed at preventing that event happening, not to protect people from the consequences of the event, but to prevent the event happening.

Now, one can argue that not as useful a purpose is being served by spending large sums of money in preventing nuclear war, and we would be better off spending money to make Canadians more fit to prosper in a world where there was no nuclear war, but this kind of expenditure would not serve, I suggest, to represent our part in preventing a nuclear war happening. This would be a complete change of object from the present one, but certainly if we are going to have any kind of national services scheme, this is a much better basis, philosophical basis, for launching it, than training people to bear arms.

The CHAIRMAN: Mr. Lessard, we have an interpreter present, if you prefer to speak in French.

Mr. LESSARD (*Lac-Saint-Jean*): (*Interpretation*) I have four short questions. Do the national building standards include standards for protection, as well as durability?

Would there be any possibility of a religious organization building a church, say, in a city, and providing in the basement some form of protection?

Would there be standards to cover that, to provide a fall-out shelter in the basement, and if so, would there be any form of financial assistance available?

Mr. DRURY: (*Interpretation*) Yes, if, suppose that religious communities do wish to concern themselves with this matter, then there will be assistance available for them, in the form of standards, and technical advice, but when it comes to financing, that is where we stop.

(*Text*)

I might add, we hope they would avail themselves of this advice.

Mr. BREWIN: May I give a theological supplement, Mr. Chairman?

Might not they be better upstairs on their knees, rather than bothering to get down into the basement?

Mr. LANIEL: Are you looking to such an eventuality as having grants available?

Mr. DRURY: Not at the moment. As I mentioned, what we are now doing is to try and work towards surveying all existing capacity, and getting a measure of what is needed to make these useful as fall-out shelters.

If, by some unlikely event, there is already existing in Canada sufficient to take care of all our needs, then no further development would be needed. Now, this is only theoretically possible.

Mr. LANIEL: You would not build churches just to make shelters.

Mr. LESSARD (*Lac-Saint-Jean*): (*Interpretation*) A subway is being built at Montreal, and one has been in existence in Toronto for a number of years. I would like to know if when the construction of these subways was undertaken, the federal government took any steps to provide for their use, in the event of necessity, as underground shelters?

Mr. DRURY: (*Interpretation*) At the time of the construction of the subway in Toronto, and with the present construction of the subway in Montreal, attempts were made to interest the constructors in the provision of shelter facilities, but without too much success.

Mr. LESSARD (*Lac-Saint-Jean*): (*Interpretation*) Was that owing to the fact that you did not wish to make any financial contribution?

(*Text*)

Mr. DRURY: Precisely.

Mr. SMITH: Is it not a fact that, though, that the subways, as they are built, would have a reasonable, or a considerable amount of easy convertibility into fall-out shelters?

Mr. DRURY: Well, some elements of some subways.

Mr. SMITH: I mean, the mere fact of their depth in some cases.

Mr. DRURY: The subway in Toronto, for instance, spends a lot of its time either on the surface, or very close to it.

One must bear in mind that what one is looking at, is not protection against a relatively short downpour. It is not like getting in out of the rain. It is not too difficult to find in a number of places in Canada shelter, immediate shelter from fall-out. The problem, basically, is how to exist for some time in this particular environment.

Now, just a plain, ordinary hole in the ground would provide you with the necessary mass barrier between you and whatever the fall-out there may be, and as long as you remain in that hole, you would be protected, but one has to look beyond the mere problems of a shield, to surviving for as long as may be necessary.

Now, in the case of the subways, some of them anyhow, are large underground caverns; there is a lot of physical space, but if people are going to remain and survive in here, all kinds of things, principally sanitation, and the provision of air, fresh air, and fresh water, are needed, and in some ways these kinds of services are not easily provided or readily available in the case of subway tunnels. It could be more economically done in the basement of a large building, which already has sanitation and water facilities in it.

Mr. LESSARD (*Lac-Saint-Jean*): (*Interpretation*) First of all, I am sorry that the federal government missed a good opportunity to make a financial contribution to what might have been useful shelter facilities, and now a question regarding the Saguenay region.

You make reference in your document to certain storage centres, where food, first aid supplies, and drugs, and so forth, are kept.

Do any such storage centres exist in the Saguenay region?

Mr. DRURY: (*Interpretation*) These storage centres contain only drugs, medicines, clothes, but no food and no supplies of any other kind.

At the present time, the stocks for the Quebec region are in Valcartier, and there is no such storage centre for the Saguenay area.

(*Text*)

Mr. FANE: Just working on the premise that we have to have somebody locally to organize the E.M.O., that in my mind is something that should come first.

I want to know who in the places where reserve units of the Canadian forces have been disbanded is taking over that duty, if any?

Mr. DRURY: Well, this is a very large question, covering quite a few localities, and the answer will tend to vary with the locality.

I might say that the role of the reserve forces has been to provide, within the whole emergency measures framework, specific services and specific functions, but they have not been responsible, as such, for the emergency measures organization.

This is quite a separate hierarchy, and is organized a bit like the armed forces, on the basis of a central apparatus, largely devoted to planning, in Ottawa, with the federal government, and a further chain extending through the provincial governments, and finally a municipal, a modest municipal organization.

Now, involved in the municipal organization will be a co-ordinator of civil defence, in the municipalities where we have succeeded in persuading them to establish such an office, and his job is to co-ordinate all the municipal functions whose services would be useful and usable in the event of either a nuclear or indeed a civilian disaster, and the disbanding of a reserve force will not affect this organization.

There may be a gap in certain functions which the military within that municipality, within that locality, would have been called upon to perform.

Mr. FANE: Would it not provide a very serious gap in the organization that could be definitely controlled, because nobody can control a civilian organization as well as a military, or semimilitary organization can be controlled.

Mr. DRURY: Well, I am an old time democrat. I cannot subscribe entirely as to the virtues of military control. I do not think that there is any question about it. In time of emergency the military tend to be more disciplined, to be more coherent, to be better organized, and as a consequence, perhaps, better able to carry out a specific function, and this, indeed, has been the role of the reserve forces.

Now, where a reserve force unit has had a specific role, or specific function, to carry out, and this reserve unit is being disbanded, some means will have to be found for the effective discharge of the role, or the function previously allocated to that unit, but I would point out that there are areas in Canada where there is a civil defence organization, and a plan evolved, for emergency measures and where there are no military units.

Mr. FANE: That is more or less what I was trying to say, in my own inarticulate way.

However, I have one more question, which has to do with the first item in your appendix 1, that is agriculture.

Just how, and where, and in what way, are agricultural products that can be used for food going to be protected, and in a usable form, should a nuclear attack occur?

Mr. DRURY: It would be very expensive indeed to try to provide a protected four or five months supply of food for the whole Canadian population. Not only would this require an awful lot of space, it would also involve very substantial carrying charges, and further, it would involve the problems of turnover, and waste involved in this turnover, and this may go on for years, and years, and years.

Because of the difficulties inherent in this kind of stockpiling on a protected basis, the emergency measures organization has directed its efforts rather at devising machinery to ascertain, as rapidly as possible, the surviving food, and the surviving sources of food, and prepare to make the most efficient and the most effective utilization of what remains, rather than to actually protect the whole.

The CHAIRMAN: That completes the list of questioners. There were still some outstanding questions.

Next Tuesday, Mr. Faguy will be the witness. If anybody would have further questions they would like to direct towards the minister, he could be back. Mr. Brewin and Mr. Harkness would like to direct further questions to the minister.

This committee stands adjourned, then, until Tuesday, at 11 o'clock.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, JUNE 23, 1964

CIVIL EMERGENCY PLANNING

WITNESSES:

The Honourable Charles M. Drury, Minister of Defence Production; and
Mr. Paul Faguy, Director, Emergency Measures Organization.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20976—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman:

and Messrs.

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Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Nielsen,
Granger,	MacLean,	Pilon,
Groos,	MacRae,	Smith,
Harkness,	Martineau,	Temple,
Langlois,		Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, June 23, 1964.

(13)

The Special Committee on Defence met at 11.00 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Lessard (*Lac-Saint-Jean*), MacLean, Matheson, McMillan, McNulty, Pilon, Smith, Temple and Winch. (16)

In attendance: Honourable Charles M. Drury, Minister of Defence Production; and Mr. Paul Faguy, Director, Emergency Measures Organization.

The Committee continued its study of *Civil Emergency Planning* and in particular the work of E.M.O. Mr. Drury, assisted by Mr. Faguy, answered questions respecting the statement, on these matters, presented to the Committee on June 18, 1964.

At 12:55 p.m., the Committee adjourned until 11:00 a.m., Thursday, June 25 at which time the Committee will consider *Service Colleges and related training plans.*

E. W. Innes,
Clerk of the Committee.

20976—1½

EVIDENCE

TUESDAY, June 23, 1964.

The CHAIRMAN: We have a quorum. Come to order, please. We are continuing this morning with our discussion respecting E.M.O. The Hon. Mr. Drury, the Minister of Defence Production, and Mr. Faguy, the director of E.M.O. are present at witnesses. There are no prepared statements this morning, so we shall proceed with the questioning of the witnesses. The first questioner is Mr. Fane.

Mr. FANE: Mr. Chairman, Mr. Harkness asked me to say that he was called away, and that he would not at this time be able to ask the questions of which he had given notice. But there is one question I would like to ask the minister, and that is: How is it that the Emergency Measures Organization reports to the Minister of Defence Production rather than to the Minister of National Defence?

Hon. C. M. DRURY (*Minister of Defence Production*): The choice of ministers or the choice of minister to be responsible for civil defence measures is obviously a question of judgment, and whether it be the Minister of National Defence or another minister will depend on the general structure of government, and an assessment of the way in which responsibilities may best be carried out.

In the United Kingdom, as you are aware, civil defence comes under the home office rather than under the defence department. The reasons for this are perhaps related to the greater burden, or load, or degree of specialization of the minister concerned in the particular country.

In the Department of National Defence there is currently a very large job to be performed, and very heavy responsibilities, both national as well as international, to be carried by the Minister of National Defence. Perhaps it would be wise—and it has been felt for some time to be wise—to have a civil minister engaged in civil activities charged with this responsibility. Now, one of the large elements of the civil defence program is the emergency supplies planning branch which is an element of the Department of Defence Production. The Minister of Defence Production, as a consequence, has direct relationship and a continuing relationship, and an important relationship with civil defence. Perhaps for these reasons he is the appropriate minister.

Mr. MCMILLAN: There has to be close co-operation, then, between your position and the Minister of National Defence in connection with civil defence?

Mr. DRURY: There has to be very close co-operation because of the substantial operations as well as the planning of emergency measures in Canada which is carried out by and through the Department of National Defence. This applies equally to the Department of National Health and Welfare, of course.

The CHAIRMAN: Mr. Smith.

Mr. SMITH: It seems to me as I understand the program, that civil defence, survival, and the Emergency Measures Organization are clearly part of our national defence. Would that be a correct assumption?

Mr. DRURY: They are part of our national security.

Mr. SMITH: I did not mean it in the sense of a department, but rather in the sense of national defence for the defence of our country.

Mr. DRURY: National defence and national survival, or national security, are perhaps the same thing. In the sense in which you mean them, civil defence or emergency measures is a part of the whole, a part of the fabric, I agree.

Mr. SMITH: One part of the British North America Act which one never hears questioned, is the responsibility of the national government for national defence. I have never heard anyone suggest that we when we reform or amend the constitution, that this should not be the case. I think that is a reasonable assumption, is it not?

Mr. DRURY: I would go along with you.

Mr. SMITH: I know it was not your responsibility in writing this, nor do you have to accept the responsibility for writing the order in council, and I would think it was not that of the previous minister, either. But I think it is an important matter with legal draftsmen somewhere in the civil service. This brings me to paragraph (c) of the order in council.

Mr. DRURY: You mean the 1959 order in council?

Mr. SMITH: Yes. It says to assist the provincial governments in respect of the preparation for civil defence where assistance is not the responsibility of any other department or agency of government. To me that particular paragraph is a real hodgepodge, and it does not explain much. Perhaps you, Mr. Drury, could put me straight on it with regard to what that paragraph does mean.

Mr. DRURY: Well, it is perhaps a bit like the British North America Act in that this is a residual clause. Where there are departments or agencies of the government of Canada which have specific functions in relation to assistance to provincial governments or municipalities covering their particular field, that continues to be a responsibility of that particular federal government department or agency. Where assistance is involved which is not covered specifically, then this covers it, and it is sort of a catchall for the Emergency Measures Organization.

By way of example, we were discussing last week the question of shelters and a shelter program. There is no agency or department of the federal government which has the responsibility for providing assistance to municipalities in this field. This therefore becomes under this clause the direct responsibility of the Emergency Measures Organization.

Mr. SMITH: Now that you have the responsibility, might I suggest that you and your staff should start working on a new order in council which would be more precisely definitive.

Mr. DRURY: You mean one which would be clearer?

Mr. SMITH: One which would more precisely define responsibilities within the national government. One of the criticisms you hear locally of the Emergency Measures Organization runs something like this: With the way it operates, the local chief of police will immediately report to the man who has been designated as chief of police for the province, or to head up the police in Ontario—it is the head of the provincial police; and the local fire chief will report immediately under a certain set of circumstances to the man who has been designated as the chief of the fire services—I think it is the fire marshal of Ontario. There is a great tendency to centralize.

The particular people involved in municipal affairs think, instead of their reporting to a fire commander, there ought to be some designation within the municipality of one person who would have the responsibility in case of an emergency, and who would have local responsibility, and who would be responsible for complete co-ordination within that area, rather than to have this rather complicated chain of commands that is set up. I may be wrong with this criticism, but I would be happy to be told that I was wrong.

Mr. DRURY: I think that one has to look at this as an endeavour to provide adequate arrangements for as wide a measure of decentralization as possible. In the event that decentralization becomes necessary, or desirable, you must

have the machinery and the organization to operate on a decentralized basis. At the present time the government of the provinces operate to a greater or lesser degree on a centralized or a decentralized basis, for some functions, and in some areas municipal organizations, municipal councils, mayors, reeves, or whatever they may be, and their advisers are supreme, although they are not completely autonomous, or completely decentralized.

In respect of other functions, however, particularly technical functions, there is and perhaps there must be a higher degree of centralization, or concentration of authority, because of the greater technical knowledge and skills in the provincial governments. So there are in peace time, or in normal times, some fields in which there is complete decentralized local autonomy, while in others there is a degree of exercise of central authority.

It is the object of the Emergency Measures Organization to carry on in so far as this is possible, a chain of responsibility, and a normal chain of authority, but with provision for complete decentralization to the extent that it may become necessary. And to this end it is our hope that there will be, or there would be in respect to every community or local municipal organizations the ability to function entirely on its own. And if the emergency measures organization in any particular municipality seemed to envisage a greater degree of centralized authority than is now the case, I think there has been perhaps some misunderstanding of the philosophy.

The CHAIRMAN: Now, Mr. McNulty.

Mr. MCNULTY: I wonder if the minister could give us some information about the amount of publicity that is put out by the various departments such as the pamphlets that we receive from national health and welfare, from the queen's printer, from various presses under the authority of the queen's printer and from Central Mortgage and Housing Corporation, as well as from E.M.O. itself. They all put out literature directly concerning things we should do in the event of a disaster, and things like that. How much co-ordination is there between these various departments? Do they sit down with you and agree upon the information that they shall put out?

Mr. DRURY: Yes. All these pamphlets, and publications follow consultation with approval by the Emergency Measures Organization itself. This is done with a view to insuring that there are no duplication of effort or conflict of policy.

Mr. MCNULTY: I was just wondering. You are the minister responsible for this. Do you have meetings with other departments, and are moneys allotted in their budgets with regard to the Emergency Measures Organization? Do you have any co-ordinating meetings to control it?

Mr. DRURY: The co-ordinating body, as Mr. Harkness pointed out, in the final analysis is the Cabinet Committee on Emergency Measures. This committee consists of the ministers who have specific emergency measures functions to perform.

Mr. MCNULTY: So, if a request goes out by this committee to national health and welfare to do certain work, and to the queen's printer to put out certain publications and things like that, it is supervised?

Mr. DRURY: The queen's printer is merely a contractor in this area. He executes the demands made upon him by various government departments. It may be that in respect of a particular instruction or pamphlet, the idea may come from the cabinet committee; or it may come from the E.M.O. itself, or it may be the idea of a particular department concerned. In most cases this would be the inspiration of the particular department concerned with a specific function.

Mr. McNULTY: Then there is a certain amount of watchfulness or care taken to see that there is no duplication in the publicity put out by the various departments at every level?

Mr. DRURY: That is the purpose of this co-ordination; it is intended to avoid it, and I hope we have been pretty successful to date.

Mr. BREWIN: Are you in a general way familiar with American efforts in this field?

Mr. DRURY: Well, if "general" is not too specific, yes.

Mr. BREWIN: I have an interesting article here entitled "civil defence in a balanced national security". The author is Steuart L. Pittman, assistant secretary of defence for civil defence apparently up to April this year when he resumed his law practice in Washington. He has this to say:

> The civil defence program is geared to a low level of expenditures and makes no pretense of saving large numbers of lives in the impact areas. Although budgetary limitations were an important consideration, the avoidance of difficult and immeasurable problems of a psychological, political and strategic nature also contributed to shaping the moderate characteristics of the program.

I want to ask you if you think our civil defence effort is also geared to a low level of expenditures which, I would suggest, is relatively lower than it is in the United States?

Mr. DRURY: I am not quite sure of all the factors which you feel should be used in equating these things, but I am told that in the United States for their fiscal year 1964-1965 which is the one beginning July 1 next there has been provision made for some $358 million. How much of that will be spent, of course, remains to be seen.

In the United Kingdom for the fiscal year ending April 30 of this year, the expenditure was in the sum of $38½ million. This compares with our current figure of the order of $19 million.

Mr. BREWIN: Would you agree—and I think we should have the facts on this—that our program as well as the American program as described by Mr. Pittman really does not pretend to save large numbers of lives in the impact area?

Mr. DRURY: Neither program pretends to do so. I think that is right. Neither program pretends to save a large number of lives in the impact area. That is quite correct.

Mr. BREWIN: And another article I have, if you wish to refer to it, is to be found in the "Bulletin of the Atomic Scientists" of June, 1964, which contains an article by Marvin E. Rozen who is associate professor of economics at the Pennsylvania State University. He has this to say:

> Moreover, any conceivable civil defence program would still mean that millions would die.

That would be in the event of a nuclear attack. That is a fair enough statement, is it not?

Mr. DRURY: Well, this is a bit in the speculative realm I think, when he says that any conceivable defence program would still mean that millions would die. If he is saying any conceivable civil defence against any conceivable attack—given those two absolutes—this statement is probably correct. But it is quite possible to construct caverns at sufficient depth, and to equip them with a decent environment but at staggering cost, which would enable people to survive an attack by known weapons, or existing weapons.

Mr. WINCH: It has been done?

Mr. DRURY: It has been done.

Mr. BREWIN: Are the key words not "staggering costs"? This makes it a little impractical, does it not?

Mr. DRURY: I think it does.

Mr. WINCH: The only reason I bring that up is to suggest that perhaps we should be careful in our statements and not hold out excessive hope as to what can be done with respect to these survival programs. I notice in that connection on page 2 of this statement you have produced here, it says:

Mr. BREWIN: In that connection, on page two of the statement that you have produced here, it is said:

> Because of the short warning time in the missile age and the consequences of a nuclear war, it was thought highly desirably to help ensure, not only the survival of the Canadian people, but also the continuity of government.

The words "ensure not only the survival of the Canadian people" should be taken realistically in relation to any program that is not one of staggering cost with very small results. Some people may survive, but in the main target area very few would probably survive, no matter what we do about it.

Mr. DRURY: Certainly in the immediate area of impact there would be a high rate of casualities, very little survival, and the cost of ensuring a high rate of survival in the impact area would be so high that I question whether Canadians certainly, and United States citizens probably, would wish to pay for it at present.

Mr. BREWIN: In the allocation of the dollars that we have available for defence purposes, in the broader sense, I take it that the reason for the decision of the government to confine itself to a relatively inexpensive program of civil defence is that the government feels that a concentration on other means of defence which would prevent war is more important than trying to deal with the consequence of a war if it occurs.

Mr. DRURY: That is correct. They necessarily attach a higher priority and are prepared to put more money into preventing a war than in accepting the fact that a war will occur and trying to do more in the sense of ensuring the survival of the population in the impact areas. The amount of money we are now spending on preventing a war would not even begin to ensure the survivability of those in the impact areas in any event.

Mr. BREWIN: Do you not agree that it would be sensible for the Canadian people to realize that even if some civil defence measures are worth while and should be undertaken, that this does not give them any real measure of protection against the devastating effects of a nuclear strike?

Mr. DRURY: It does not give any guarantee of immunity to those in the area of an explosion. There is quite modest expenditure providing a large element of survivability for those who are not in the impact area and who will suffer from the dangers of fall-out and a breakdown of our present system of material supply.

Mr. BREWIN: Even for those in those areas there would therefore be an immense problem of contamination of crops and food and various supplies that are used, no matter what measures we take, which would create dangers of non-survivality, if I may put it that way.

Mr. DRURY: It would certainly create difficulties because most of the materials and supplies in the impact areas would be finished and would be useless. Reliance will then have to be put on organizing the remaining undamaged supplies for distribution.

Mr. TEMPLE: How many municipalities have taken advantage of the 75 per cent contribution from the federal government to build up their own emergency services?

Mr. DRURY: As of last December, some 2,100 municipalities.

Mr. TEMPLE: Out of how many municipalities?

Mr. DRURY: Out of a total of approximately 4,000 municipalities.

Mr. SMITH: Are the 4,000 municipalities urban or rural? Is there any classification of those municipalities?

Mr. DRURY: I have not a breakdown between urban and rural municipalities.

Mr. SMITH: Relating to Mr. Temple's questions, could you supply us with a breakdown because it would make the statistics more meaningful?

Mr. DRURY: Yes. The information is as follows:

	Number of Municipalities (1)	Participating Municipalities (2)	Organizations (3)
British Columbia	130	121	98
Alberta	305	179	88
Saskatchewan	788	63	34
Manitoba	188	152	37
Ontario	959	754	49
Quebec	1408	674	61
New Brunswick	43	42	17
Nova Scotia	78	58	23
Prince Edward Island	28		Covered Provincially
Newfoundland	89		Covered Provincially
	4016	2043	407

(1) Information provided by provinces in 1963.

(2) Municipalities include incorporated cities, towns, villages, municipal districts, rural municipalities, counties and townships.

(3) Organizations are comprised of individual incorporated municipalities, or groupings of municipalities, into area, unit, or county organizations.

(4) The municipalities participating in emergency measures represent at least 80 per cent of the population of Canada.

Mr. DRURY: (Continues) Obviously the largest number of municipalities in Canada are rural municipalities. The urban municipalities tend to be big and relatively few in number. The rural municipalities are much smaller and greater in number.

Mr. SMITH: So they would have much less need of this, probably.

Mr. LESSARD (*Lac-Saint-Jean*): Can I put a supplementary question? Can we have a breakdown by provinces?

Mr. DRURY: We can give you the municipalities by provinces.

Mr. LESSARD (*Lac-Saint-Jean*): Could we have those statistics?

The CHAIRMAN: With the agreement of the committee perhaps this information could be put into the record at the appropriate point.

Mr. SMITH: At the point where Mr. Temple asks the question.

The CHAIRMAN: Yes.

Mr. TEMPLE: What is the amount that the federal government contributes? I know they contribute 75 per cent, but is it on the basis of so much per citizen in each municipality?

Mr. DRURY: No. The practice is for the municipalities to cost these plans and to formulate their monetary requirements, which they then send forward to the provincial government. The provincial government examines, scrutinizes, approves these, and sends them on to the federal government, the Emergency Measures Organization in Ottawa. The level of municipality activity varies quite substantially as between municipalities and the various provinces. The level of interest and activity varies. So far we have been able to substantially meet all the expressed needs of the municipalities in this direction. They have to put up 25 per cent themselves, and the necessity of advancing the 25 per cent themselves does condition the size, to some extent at any rate, of their demands on E.M.O.

Mr. TEMPLE: How often are the war books and readiness plans for all departments and agencies revised?

Mr. DRURY: Continuously.

Mr. TEMPLE: I thought that might be the answer. It is a simple answer. It has then been done continuously and an examination of the safeguards has been kept up?

Mr. DRURY: Yes, it has been done in E.M.O. and also in each of the government departments concerned. It is a job of this staff to keep war books up to date. They will obviously tackle one aspect of their war book at a time, and it might be that one element of it might be out of date for a month or so, but generally speaking these are kept pretty well up to date. This kind of operation is necessary because of the changing structure of government departments and because of the changing nature of the jobs that various people do. It is not merely an overhauling on the basis of new organization or new management techniques being developed.

Mr. TEMPLE: I suppose that as soon as they are prepared or revised they are then sent out to the provinces, or are they sent directly to the municipalities?

Mr. DRURY: No, the war book is a departmental document and it sets forth the procedures to be followed upon the introduction of the Emergency Measures Act. Is that correct?

Mr. PAUL FAGUY (*Director, Emergency Measures Organization*): At the federal level it is an order in council of 1959, and in the provinces they have their own civil defence act.

Mr. TEMPLE: I have one further question. Obviously the government sponsored stockpiles of supplies would include food and clothing. Would they also include any materials or light machinery that would be needed to get the basic parts of the economy going again?

Mr. DRURY: It is quite a difficult task to predict with any kind of accuracy the location of an impact. Consequently, one really has no clear idea of what might be knocked out, and any attempt to stockpile basic or fundamental machinery would lead to a high degree of possibility that what you have stockpiled was precisely what survived the impact and what you had not stockpiled was the same as that which was destroyed. Secondly, there is, in the Canadian economy, a great deal of multi-purpose machinery available—after all this is a sophisticated industrial economy. Rather than try to stockpile machinery, and to do so would be expensive, it seems better to try to get a rough inventory of what our industrial assets are and to try to make contingent plans for mobilizing and using what does survive in the event of an emergency.

Mr. MACLEAN (*Queens*): Mr. Chairman, I would like to lead the minister back for a moment to the general concept of the purpose of civil defence. I may be wrong but I have a feeling that the general public have the notion

that the whole concept of civil defence is rather a futile exercise in this regard, that it is a rather hopeless attempt to salvage, as a last resort after the catastrophe has occurred, some of the population and some of our resources. In my judgment it is impossible to expect to survive a nuclear war to any worth-while degree, and therefore it seems to me that the real purpose of civil defence is in part our ability to retaliate and to demonstrate to any would-be aggressor that we have the capability to retaliate at least to a degree that would bring a catastrophe to him as well. It is therefore this ability to retaliate that gives a credible deterrent to any would-be aggressor. The ultimate purpose of civil defence, to my mind, is the deterrent to prevent such a catastrophe ever happening, and in that way we hope that we might be successful in saving the whole population from a nuclear attack. I think that this is a concept of civil defence which is not sufficiently publicized or stated and I would like to have the minister make a statement of his general approach to the whole problem of survival in a nuclear age.

Mr. DRURY: I would agree with you that this is an important facet of civil defence which certainly in this country has not been too well emphasized. The point that you make is that this is evidence of our resolve to mean no when we say no, that the Canadian people are prepared to make sacrifices to accept the consequences of continuing to say no when in fact we do mean no. In the framework perhaps of the western or the northern hemisphere, the Canadian resolve is perhaps not as important as the United States resolve. For this reason I think perhaps more has been made of this in the United States than in Canada. I think it might be a little presumptuous on our part to suggest that a possible aggressor, who might be prepared to launch an all-out nuclear war, would be significantly deterred from doing so by reason of the Canadian determination alone. But certainly the combined determination, of which we form a part, of all the western powers can be significantly measured by their approach to civil defence, and it is our contribution to the total evidence that the western world means no when it says no. In this sense it is a useful and I think significant contribution to the credibility of the deterrent.

Mr. MACLEANS (*Queens*): In other words, if a would-be aggressor believed that if he could pull off a successful surprise attack all resistance would immediately collapse, his temptation to do so would be very great. To dispel that notion from the mind of any would-be aggressor civil defence becomes a part of our ability to retaliate. When I say our ability to retaliate I do not refer just to Canada but to the defence of North America as a whole.

Someone else would like to ask a supplementary question.

Mr. BREWIN: I just wondered when you are talking about credibility as an aspect of civil defence, whether the government has given consideration to how much credibility can be purchased with a type of civil defence which, as you have said, still really leaves a great side of the population without protection. If you cannot afford a sufficiently high degree of civil defence to give credibility, you have far more credibility deterrence if you spend the money on making your retaliatory weapons immune than if you try the rather impossible taskk of making the population immune to an attack.

Mr. DRURY: I would perhaps take issue with you in your assertion that our expenditures on civil defence not only are modest but really do not purchase anything. If there were an all out war, the emergency measures that are contemplated and which are being taken now will provide a very substantial degree of protection against the probable threat in Canada.

Now, because there is no provision for immunity of those in what might be the first impact areas, this does not mean that the bulk of the population of Canada has no protection whatsoever. It is likely that the threat to the bulk of

the population of Canada will not be a threat of immediate destruction or incineration. Rather, it would be a threat of the consequences of a breakdown in the distribution of the necessities of life, and a gradual deterioration of the situation rather than a sudden one.

The same thing, to a somewhat similar degree, is true of fall-out. The fall-out is not sudden and instantaneous like a blast; it is something which tends to be a bit more creeping. It is the job of the Emergency Measures Organization to devise means to enable people to meet and survive these threats. With the expenditures currently being made and the plans being drawn up, I think provision is being made for a high degree of survivability against what appears to be a probable attack.

I would agree with you that it would be wrong to convey the notion that civil defence as it now stands is any key to or guarantee of immunity for those who might find themselves in an impact area; it is not. On the other hand, for those who are not, their chances of survival of the consequences of fall-out and disruption of the peacetime or normal means of distribution of the necessities of life, their protection against these threats, I think is quite measurable.

You suggest rather than spending money on civil defence, one should spend money on immunizing the weapons of retaliation. As you know, the means of retaliation rests in hands other than Canada's and consequently expenditures to immunize these are not made or controlled by Canada, but by other countries. There is no means of retaliation in Canada. The weapons we have all are defensive.

Mr. MacLean (*Queens*): This question may have been asked at the latter part of the last meeting when I had to leave. I would like to ask the minister when any segment of the Emergency Measures Organization has last been exercised under simulated conditions of nuclear attack.

Mr. Drury: The last exercise was at the end of 1962. We have not had a large scale one since then.

Mr. McMillan: Four or five years ago a number of shelters were built in the basements of public buildings. I understand they were equipped with equipment to measure the degree of fall-out. I wonder whether that equipment is kept in readiness. Early last year I asked two postmasters who would have access to these particular shelters in time of emergency, and neither one of them seemed to know. Who is responsible for this?

Mr. Drury: When you say, responsible for maintaining the buildings, it depends a bit on where it is, and whether it is a federal building, a provincial building, or a municipal building.

Mr. McMillan: They were in post office basements.

Mr. Drury: The responsibility for seeing that these are operational, or the custodianship, rests with the zonal headquarters within the province. Perhaps if you would be more specific than mentioning just a post office, Mr. Faguy might be able to tell you precisely who it is. In general, however, it is the zonal headquarters which is charged with the responsibility for supervising the continued readiness of these shelters.

The Chairman: Is that all, Mr. McMillan?

Mr. McMillan: Yes.

Mr. Deachman: Mr. Chairman, I have some specific questions which I would like to ask concerning the militia. I think I might address these questions to Mr. Faguy. When the policy for the establishment of the emergency measures organization was drawn up, what specific role was assigned to the militia at that time?

Mr. FAGUY: The responsibility was assigned to the army as such to give the necessary warnings of fall-out to the public, and to assist the municipalities. The army decided the militia would assist it in fulfilling their roles.

Mr. DEACHMAN: When the militia was assigned the task of assisting, can you advise what specific tasks were assigned to it by the Army?

Mr. FAGUY: More specifically the re-entry operations, re-entry into the target area, such as a city which might have been hit. They would care for the wounded until the medical people took over, and would provide necessary information for the re-entry forces.

Mr. DEACHMAN: Were these roles pretty well defined, and was the militia actually exercised in these roles?

Mr. FAGUY: The militia was exercised in these roles as part and parcel of their early program. Also, a special exercise was held in 1961-62, and a special militia course at the beginning of 1962.

Mr. DEACHMAN: Would this concern the militia in the larger city centres particularly, or in centres everywhere across Canada?

Mr. FAGUY: It is more applicable to the major centres, but this responsibility applied to the militia in general.

Mr. DEACHMAN: If they had a re-entry role to play, and if they were the militia in major city centres, would they not be in the area of attack and not able to play a re-entry role?

Mr. FAGUY: The plan was to have these people located outside the target areas so that they would be able to operate at a headquarters outside a target city, or devastated area.

Mr. DEACHMAN: Do I understand the militia was located outside the target area of major cities?

Mr. FAGUY: Not in peacetime, but in time of war. They would be moved to reception areas outside and would be ready to move back in.

Mr. DEACHMAN: If the militia is composed of civilian soldiers, how would you muster them out of their jobs at such times; at a time of early warning, let us say, how would you muster them out of their civilian jobs in the city into an area on the periphery.

Mr. FAGUY: This is a part of the plan where the militia people are told what part they will play at the time of the warning.

Mr. DEACHMAN: You would expect on early morning they would be mobilized and moved to that area?

Mr. FAGUY: Certain people would be called out, yes.

Mr. DEACHMAN: Do you conceive that this is going to be a very useful role for the militia to play?

Mr. FAGUY: Certainly I think this is a useful role.

Mr. DEACHMAN: With the reduction of the militia forces, do you believe this role will suffer?

Mr. FAGUY: I am afraid I could not answer that; it is a matter of government policy what role the militia will play in the future.

Mr. DEACHMAN: Up to this point you have considered it to be a useful role?

Mr. FAGUY: Yes, certainly.

Mr. DEACHMAN: I notice that the exercises ended in 1962 and that was the last time there was any major exercise. Was the militia involved at that time?

Mr. FAGUY: The army was involved and therefore the militia in the sense we did review our plans at that time.

Mr. SMITH: Just so that an incorrect impression is not left, there have been militia exercises since 1962, and several which have involved re-entry training.

Mr. FAGUY: This is still part of their responsibility.

Mr. SMITH: And these exercises are still going on.

Mr. DEACHMAN: May I direct my final question to the minister. If the militia forces are reduced—and we understand from our studies here that this is to take place—will this role suffer, and if it is going to suffer, what plan is the Emergency Measures Organization making to adopt itself to this?

Mr. DRURY: It is likely there will be fewer militia units available, and we are looking forward to the report of the committee under Brigadier Suttie to make suggestions with reference to how most usefully and most effectively the reorganized militia can fulfil these functions.

Mr. DEACHMAN: Am I fair in saying that the Suttie report and its augmentation are matters of considerable concern to the Emergency Measures Organization?

Mr. DRURY: A matter of great interest.

Mr. DEACHMAN: Thank you.

The CHAIRMAN: Mr. Deachman, I am not supposed to ask questions, but perhaps you might ask a question for me concerning the practicality of expecting reserve forces in a target area to go out to a headquarters leaving their wives and families in the target area.

Mr. DEACHMAN: I will direct the question to the minister. I think I know what this leads to. If civilian soldiers in a large metropolitan community are to be put on alert, what is going to be their attitude toward leaving their wives and children in the centre of the city while they go out to the mobilization centre outside the city with the prospect of waiting until the bomb drops, and then going in and collecting the ashes of their families. Is there a paragraph anywhere in the book which covers this little item?

Mr. SMITH: What happened to the British soldiers all over England in the last world war? Goodness gracious!

Mr. DRURY: This is obviously one of the dilemmas.

Mr. DEACHMAN: This is a little different.

Mr. DRURY: This is one of the dilemmas that war visits on people. The problem is the same in respect of the civilian members of the population who have designated tasks in wartime, and for whom, because of their important executive function, special provision has been made. There are hosts of those in our civil service who will find themselves in exactly this same position. One would hope that those who have these specific designated functions to perform would be much more knowledgeable than perhaps some other members of the general public, in the action to be taken, and the consequences which might be expected in the event of an attack on Canada. In the pamphlet on instructions for survival, there are instructions in respect of the action to be taken by the families or next kin of those who have special duties to perform.

Clearly, however, this is one of the problems which we have to face where the man of the family is ordered into relative safety in anticipation of an event, and there is no similar arrangement made for his dependants. For everyone involved in war, this poses a moral dilemma. However, because of the fact that the militia men know what they themselves have to do, and the kind of thing they are going to be up against, they are in a much better position, or should be in a much better position, to make provision for the anticipated removal of their dependants to areas of apparent greater safety.

Mr. DEACHMAN: Would you not agree, Mr. Drury, that the evacuation of the young and healthy men from an area of imminent total destruction and terrible disaster while leaving their families there poses a rather new question in warfare compared to the sending of soldiers to the front to protect an area behind, which has been the case in wars previously.

We are faced here with problems, such as mobilization problems quite beyond anything we have ever anticipated before, and that are really quite to the contrary of Mr. Smith's remarks. This not related to any problem of mobilization that we have had to face before, where the man was evacuated to safety, while the bomb fell on his family. That has not been our previous experience.

Mr. DRURY: If by "our" you mean Canadian, that is true. However there have been a number of men in the United Kingdom who were sent out to India to be stationed in southern India and they left their families in London. In terms of physical risk from the effects of war, the man was in comparative safety while his family was left exposed not only at London, but almost anywhere in the United Kingdom. This is not something new except that it is new for Canadians. But certainly in so far as the continent of Europe is concerned, and particularly the United Kingdom in the last war, this dilemma was pretty common.

Mr. DEACHMAN: Had these soldiers left London when it stood a very good chance of being destroyed completely? I do not think so. This was not our experience or belief at that time. We did not believe that our names were on the bomb. I know that was not my feeling, at least when I was in London. I did not believe it and I am sure you did not believe either, or else we would not have stayed there.

Mr. DRURY: There are very few people, no matter where they are, who believe that their names are on the bomb. There are very few people anywhere who believe that. That is one of the useful defensive mechanisms of the normal human being.

Mr. GROOS: I have an important question for Mr. Faguy. Short of an all out nuclear war, I am sure the public thinks that E.M.O. has a role to play. I am thinking for example of the recent Alaska earthquake and the tidal wave which swept down the Pacific coast. I think it increased public confidence very much in E.M.O. with the feeling that they are flexible enough to be able to deal with this sort of emergency. I happened to be out on the west coast at that time, and there was certainly an indication of a liaison between the various United States and Canadian military and civil authorities in this earthquake. It seems to me that the interpretation of the effects of the earthquake and the warning to the public was that they would be evacuated out of the area almost completely. This came about by radio, and by the press over the radio. I wondered if you had carried out any sort of investigation as a result of this incident to find out whether there are some lessons to be learned therein?

Mr. FAGUY: Yes, we are getting reports now not only from our own people on the west coast, from British Columbia, from the provincial authorities, and we are also obtaining reports from the United States as to what they found out in the greater disaster which occurred in Alaska. Quite evidently this shows the need first of all to have an authority in being to be available to people so that they can ask for help, and so that there will be co-ordination immediately on the spot. That was certainly proved in Alaska where the Alaskan civilian defence co-ordinator was considered by the army and civilian departments to be the co-ordinating authority. At Alberni also, the civil defence people were able to assist in welfare and health and general information. We feel that because of this liaison there should be more or greater emphasis placed on E.M.O. being able to assist local authorities in peace time disaster.

Mr. GROOS: I was thinking more specifically of the events before the tidal wave struck. I think the thing which impressed most people out there was that they just heard it on the radio. They happened to have their radios turned on when it was said that there was going to be a tidal wave striking in the vicinity of that area.

Mr. FAGUY: We discussed this matter with the Department of Transport and they are now studying better means of warning people in the case of a tidal wave. Of course, naturally, when there is an earthquake, you cannot always warn people ahead of time. But in the case on a following tidal wave, they might be able to give a warning. This thing is now under review.

Mr. GROOS: That answers my question.

The CHAIRMAN: Before I go to Mr. Smith, there is another member who wishes to ask a question, Mr. Matheson.

Mr. MATHESON: I think this question has to be directed to Mr. Faguy. From what I can judge, the common denominator in E.M.O. training, and civil service training generally is really the St. John's Ambulance, and that our military and civilian authorities concerned with survival seem to have it as a basis of their training, be it either elementary or senior. They feel there has to be St. John Ambulance training. Is that true?

Mr. FAGUY: The St. John Ambulance type of training naturally is a good type of training.

Mr. MATHESON: In emergency or civil defence work?

Mr. FAGUY: The St. John Ambulance type of training is a good training. But emergency or civil defence work is centered around a core of people who have to deal with many more aspects than simply the St. John Ambulance type of thing.

Mr. MATHESON: I am referring to the common denominator which runs through the training received by the military, be it either full time or militia, or the training received by the E.M.O. people, or even by civil servants in Ottawa.

Mr. FAGUY: Are you talking about first-aid type of training?

Mr. MATHESON: Yes, I am thinking of the answers given by a former government and by the recent government to questions with respect to the number of people who are in active service, or in the militia, and who are E.M.O. trained under the St. John Ambulance.

Mr. FAGUY: Yes sir.

Mr. MATHESON: Does this not tend to be really a common training for all these people? It is true that there are other agencies which operate specialized parts, which go beyond that.

Mr. FAGUY: I would not suggest that it was the only common denominator. For example, there is first aid, which is extremely useful to have at all levels of government, and for defence workers, there are also other aspects of training.

Mr. MATHESON: Is there anything else which is common to all?

Mr. FAGUY: I would suggest anything that had to do with warning, reporting, the continuing of government responsibility, the functioning and availability of reserves—all these aspects are part and parcel of emergency planning. First aid is only one aspect of it.

Mr. MATHESON: Am I right in thinking that it is a major aspect?

Mr. FAGUY: It is a most useful aspect, because we want people to survive.

Mr. MATHESON: That is right. That appears to me to be clear. I am quite interested in our local E.M.O. I have worked with them, and I am also interested in the militia, which is trying to do a survival role very seriously. I am

thinking of the Brockville Rifles. It is pretty difficult, however, to persuade the average Canadian specifically, to integrate himself with the E.M.O. program, unless it is under the broader aspect of simple survival under nuclear attack.

Mr. FAGUY: As we have stated in our statement, we feel that the responsibility of E.M.O. is not just for nuclear war, but for conventional war, as well as for peacetime disaster. We think it is quite important, for us to be able to assist in a peacetime disaster.

Mr. MATHESON: Could you give us an idea what departments of the federal government actually make use of the St. John Ambulance in one way or another?

Mr. FAGUY: E.M.O. recommends first a training for all civil defence workers, and we also pay an amount of roughly $4 per head to those people who have successfully completed the course. This is done through the financial assistance program to the provinces and municipalities. This is done generally right across Canada.

Mr. MATHESON: You could not go beyond the Department of National Defence?

Mr. FAGUY: The department of defence has a similar type of training, and our department is part and parcel of their training program. I do not have the figures to suggest how many in each department have been part and parcel of the training program.

Mr. MATHESON: The arrangements between the departments are generally comparable, one to the other, in that respect.

Mr. FAGUY: That is right; and we have an emergency service co-ordinating this type of training. It is directed by a medical doctor.

Mr. MATHESON: I have been interested in E.M.O. for some years, and I have the feeling that the St. John Ambulance Association, which is made up essentially of a great corps of retired service personnel, and those who have governmental responsibility in different areas, is a pretty useful corps for E.M.O. to rely upon from time to time, even for advice and guidance. It would be a very valuable group to work with. Does E.M.O. work with these people?

Mr. FAGUY: Yes, we do. For instance, when there is an annual conference for the emergency health service, the St. John Ambulance people are always available and take part at the various discussions which take place from time to time.

Mr. MATHESON: Do you happen to know Brigadier Johnson?

Mr. FAGUY: Yes, we know Brigadier Johnson very well.

Mr. GRANGER: I gather that survival depends roughly upon two things: one is to assure peace as much as possible. The other would be to live underground. I take it that the latter is unrealistic for a number of reasons. Therefore, every possible attention is being given to maintaining peace in order that people may live normal lives as much as possible. But in the event that an emergency did arise, are there in existence plans for the orderly removal of people from a threatened area? For example, would the population of a city be distributed around where there would be less danger?

Mr. DRURY: Reception areas have been organized largely through the militia for a fairly large scale movement of people. There are not, however, completed plans or completed arrangements for the removal of an entire population, let us say, such as from the city of Toronto. This does not exist. Manifestly one would virtually have to build an alternate urban complex.

Mr. GRANGER: I was thinking, perhaps, not of the removal of all parts of the population who were necessary to carry on the business of the people, but rather to cover them over in as wide an area as possible.

Mr. DRURY: What at the moment is contemplated is a voluntary individual decision in relation to evacuation without any specific indication where people might or should go. What we are doing is to make provision to notify people of the areas into which they should not go because of the dangers of fall-out. This would depend on a whole reporting scheme, the location of the detonation, and the direction in which the fall-out would be most intense. These would be danger areas. There are under the aegis of the military, a limited number of reception areas contemplated to which emergency welfare services could be supplied, and to which people could repair if they had no other place to go.

Mr. GRANGER: I could take it then that this is a matter which is under constant consideration?

Mr. DRURY: It is, and I do not think that with the changing nature of the threat it is possible to say today that we have a final and immutable plan. It keeps getting revised and changed all the time.

Mr. GRANGER: But the problem is continually before you in your mind?

Mr. DRURY: Yes, it is.

The CHAIRMAN: Now, Mr. Smith.

Mr. SMITH: The moral implication of Mr. Deachman's question, if carried to its logical conclusion, would make one wonder if any attempt at survival in civilization as we know it is worth while anyway. I have a couple of questions for Mr. Faguy concerning the role of the militia in survival.

Is it not a fact that the way, for instance, that armories are being relocated on the edge of a city is purely to make them more useful? I am thinking of the new armories at Toronto which are up north on highway No. 401.

Mr. FAGUY: I could not state for certain what facts are involved in relocating the armories, to be honest with you.

Mr. SMITH: For instance, with the militia units on the fringe of the large cities—would they not have a large and important role in re-entry and recovery?

Mr. FAGUY: Certainly in the case of the militia, that is so. That is part of their responsibility.

Mr. SMITH: And the militia units located around or near large centres of population are quite important in that respect?

Mr. FAGUY: They are very important at the present time, yes.

Mr. SMITH: I have two simple questions to ask the minister. We are talking about exercises. The Lanark Scots were having an exercise last Sunday. Mr. Brewin in his earlier question emphasized the futility and the hopelessness of the unrealistic matter—perhaps that is not the correct word—in trying to defend a target area, where there could be a direct hit or a blast. Is there any danger in overemphasizing the difficulty of defending a target area? Does that not really tend to discourage people who live in areas which are almost certain to be fringe areas from taking means to protect themselves against fall-out?

Mr. DRURY: There is that danger. It is one I tried to qualify for Mr. Brewin.

Mr. SMITH: Your answer to a supplementary question did emphasize it, but I think it is a point which needs to be emphasized all the time and continually, that we are dealing with two problems; and that the second problem is that it would be possible for survival for western civilization, and that is the one which relates to fall-out; and in that field I think it should always be emphasized that something can be done.

Mr. DRURY: You are right.

Mr. McNULTY: I am not sure whether the minister or Mr. Faguy should answer this question. But Mr. Temple asked the same question about a number of municipalities participating in E.M.O. I notice that you may possibly have a village or township participating on its own, and I thnk you have maybe two or three counties joined together in one large complex. Do you recommend any basic unit in geography, or population, as being the most economic for E.M.O.?

Mr. FAGUY: Yes, we have naturally to fit our plan into what the actual situation is in each province. As you know, some call them townships, counties, boroughs, or what have you. We try to use the existing units as they now exist. But where we have a number of small villages or smaller towns, we prefer to see these units grouped together to make one civil defence unit with one co-ordinator. This is more economical and we think more effective.

Mr. McNULTY: Where you group those units together, those of the various municipal bodies would participate on a per capita basis, and they would have their director setting up a budget. He would set up this budget. Now, how much would the municipal unit have to pay towards the cost, the over-all cost? What percentage of the budget?

Mr. FAGUY: This is by agreement with the provinces. Each province decides how much the municipalities should reimburse them. The federal government pays 75 per cent and generally the province is responsible for 25 per cent. They in turn can share this with the municipalities, which comes to approximately 10 per cent.

Mr. McNULTY: This can vary from province to province?

Mr. FAGUY: The municipalities do not have to pay anything because of the province agreeing to pay up to 25 per cent of the cost.

Mr. McNULTY: Would there be a possibility of getting the figures on what the provinces charge back?

Mr. FAGUY: We could do this. The answer is as follows:

The sharing arrangements on municipal financial projects under the Federal Financial Assistance Programme, by provinces, is as follows:

	Federal	Provincial	Municipal
	%	%	%
Newfoundland	75	25	—
Prince Edward Island	75	25	—
Nova Scotia	75	15	10
New Brunswick	75	12½	12½
Quebec	75	15	10
Ontario	75	15	10
Manitoba	75	15	10
Saskatchewan	75	—	25
Alberta	75	12½	12½
British Columbia	75	15	10

Mr. McNULTY: This would be the same if the municipalities wanted to set up E.M.O. themselves. Would this have to go into the budget and they would then only contribute 10 per cent of the cost of the building?

Mr. FAGUY: That is right.

Mr. McNULTY: Would this building be the property of the municipality?

Mr. FAGUY: Yes, whoever is the lowest in the government echelon becomes the actual owner of the property. In this case it would be the municipality.

Mr. McNULTY: Suppose they pulled out of E.M.O.; what would happen to the property?

Mr. FAGUY: Before disposing of the property they have to come back to E.M.O., because we did share the cost, and arrive at some agreement on what the situation would be.

Mr. MCNULTY: This is the same as in the case of buying major equipment?

Mr. FAGUY: Yes, the same.

Mr. MCNULTY: I wonder if it would be possible to find out how many municipalities have taken on emergency measures organization units and then for some reason or other pulled out of the organization, and the reasons why they pulled out?

Mr. FAGUY: Perhaps we could give you an approximate number. I am not sure we could be accurate on this one. It would be especially difficult for us to be accurate on the reasons for pulling out because they vary so much.

Mr. MCNULTY: Economical reasons might have a lot to do with it.

Mr. FAGUY: Generally the cost to the municipalities is not too great and therefore this has not been the reason for it in most cases.

Mr. BREWIN: My question is directed to the minister. In the light of what Mr. Smith has said about my previous questions I would like to say that even if I am sceptical it is because I want to get the facts on these matters.

The questions I have to ask relate to two matters. I think the same questions are relevant to both. One is on the feasibility or practicability of the re-entry role, and the other is on the feasibility of the dispersion of people in the so-called target areas. Both seem to me must be considered according to the amount of warning time that is available.

At this stage I will preface my question by referring to a document that has been provided for us, entitled "the survivability in likely target areas—Blueprint for survival, No. 5". At page nine it says that a deliberate nuclear attack in North America will probably be prepared with elaborate secrecy to be delivered with maximum surprise and therefore it is unlikely the government will be able to give the public any long range warning of an attack. Defence preparations of a dramatic nature such as the ordering of evacuation of the target areas during a period of strain in national relations, could increase the danger of war starting. Later on it refers to something we are familiar with, namely that with the I.C.B.M. the warning time will be from 15 to 30 minutes. I thought the lower figure was the more accepted figure.

If a surprise nuclear attack is made with a warning period of 15 minutes, how does that make the idea possible of people engaged in business and industry having to go out into some area outside the city, collecting there and being ready and available for the re-entry operations at a later date? How does it make it possible? It seems to me completely illusory to imagine that the 15 minutes would be enough.

Mr. DRURY: Certainly not very much can be accomplished in 15 minutes. I agree with this. The 15 minutes, however, applies to the first weapon arriving on the continent, and it applies in respect of the impact area. For someone who is in this situation, 15 minutes is not going to be much help. However, it may be that in respect of subsequent weapons there may be a longer period, and more particularly the consequences may not be immediate just outside of the impact area but in an area of prospective heavy contamination. People who are organized and prepared know precisely where they have to go and what they have to do, and have thought about this in advance. There is some possibility of them being able to do a useful job. Now, the problem that you have enunciated is recognized, and this business of meeting the re-entry task is currently being restudied and under review by the Department of National Defence.

Mr. BREWIN: This of course applies a fortiori in voluntary dispersion. You spoke of the other civilian population, and I suggest it might rather complicate the factor. Perhaps one thinks of one's constituency most often, I am thinking of mine in Toronto. A fairly large scale voluntary effort to disperse might make it harder, with the roads being blocked, for people in the militia to reach the area of collection.

Mr. DRURY: This is quite true.

Mr. BREWIN: On the other side of the picture, an early dispersal taking people out of their jobs because of threatened international tensions would, as is suggested in this pamphlet, be provocative and certainly a very dubious thing. It would be very hard on the population and on the militia to start sending them out because things were getting pretty tense.

Mr. DRURY: That is recognized in the pamphlet quite specifically.

Mr. BREWIN: Does it not suggest then—I am putting it to you very strongly —that the proposed role of re-entry by people who start from the target areas in their jobs, and the proposed dispersion, have become a little obsolete in the light of the short period which we would get in an attack from an I.C.B.M.? I understand that with a bomber attack the warning would be two or three hours, but I suggest that the thinking has become a little obsolete in this case.

Mr. DRURY: Clearly a plan which is dependent on the relatively long notice one would get from a bomber attack would not be appropriate for an all-out missile attack. It is recognized, and it is one of the principal reasons for the review currently being made. But one must bear in mind that perhaps one should not be too absolute merely because there will be some people involved in the re-entry function who may only get 15 minutes' notice. There will be others, further away from what turns out to be the impact area, and one cannot predict who will have more than 15 minutes' notice. One has to try to utilize the resources which do survive as well as make a plan for those that may survive in the most effective way. I think that if a scheme can be evolved to provide for re-entry assistance, it is better to try to make use of such a plan than merely to abandon the whole thing because of the difficulties involved.

Mr. BREWIN: Would it not suggest that regular troops stationed further outside the target area would really be in a better position to do something about this than the militia units?

Mr. DRURY: Of course most of the regular troops are in fact outside of the likely target areas, or possible target areas. The militia will add to or supplement these regular forces, It is also a fact that at the present moment a large proportion—something in excess of 50 per cent—of the militia units are stationed outside of the probable target areas or impact areas.

Mr. DEACHMAN: Mr. Drury, does it not seem wrong that we are attempting to organize emergency measures from the centres of the cities in which the very people who are expected to carry out emergency measures are the ones who are first going to be wiped out by the bomb? This is exactly where the bomb is going to fall; it is going to fall on the centres of the major cities. The E.M.O. seems to be centred among the militia units at the centres of these cities, so that those who carry out the emergency measures, and the organization for emergency measures itself, will be one of the first things to be wiped out in an attack.

Should we not be reversing the whole procedure of our emergency measures and saying that this is an organization which ought to be organized out in the country, all around the periphery of those cities which are likely to be wiped out? Should we not organize the people now living there, the people whose beds can be converted to hospital beds, and setting up our stores out there? We will not prevent the bomb from falling. If the war comes it will

be here in 30 seconds. What we should do is to organize those people who will unalterably survive in such a way that they can do something for the people from the cities who would be coming out to them. Instead of that we have the whole thing reversed. I believe we are spending an awful lot of money and directing an awful lot of attention to doing things which in the first crack will be wiped off the face of the earth, when in reality we should be saving God knows how many people who are on the fringe or who are in panic when this happens. If we organized in the country instead of organizing in the city, the whole thing would be approached in a more realistic way.

The CHAIRMAN: That is a long supplementary, Mr. Deachman.

Mr. SMITH: And the facts are largely wrong also.

Mr. MATHESON: Mr. Chairman, I have a supplementary question.

The CHAIRMAN: Let us keep some order. Mr. Deachman has asked a supposedly supplementary question. We will clear that one up first, if we may.

Mr. DRURY: I think perhaps your assumption that E.M.O. is designed, based on, and operates from the centre of the target area, is incorrect—this is not so. Indeed, the regional headquarters, which will be the core of the continuing operations, and the zonal headquarters, are specifically located outside of these probable impact areas. Further, the reception areas, which will be the nerve centres for the survival operation, are likewise outside. They will be manned to the extent possible by people originating from outside of the impact areas. But it is an unfortunate fact of life that the government of this country is conducted by people who normally live and operate in possible target areas. Now, you can endeavour to organize a system of government—and that is basically what we are thinking of—made up of people entirely different in charatcer, quality, and everything else, than the people who are now governing the country.

Mr. DEACHMAN: That is all that will be left after the bomb.

Mr. DRURY: You are contemplating almost the worst possible circumstances. This may be true.

The CHAIRMAN: Mr. Matheson would like to ask a supplementary question.

Mr. MATHESON: Mr. Drury, although defence is not your department, no one knows more about it than you do in the cabinet.

Mr. SMITH: Flattery will get you nowhere!

Mr. DRURY: I deplore this accolade.

Mr. MATHESON: Traditionally in the United Kingdom the militia, the old territorials, were largely composed of country yeomen soldiers. They were not metropolitan soldiers. You had your large recruiting facilities in the large centres such as Liverpool, London, and so on, and obviously this was necessary. However, if our attitude towards our militia is to veer off from the idea that the militia now be a recruiting centre for a quick mobilization of world war I or world war II type—and we are thinking rather of something which partly provides security for Canada—then serious consideration should be given to the merit, which I think is inherent in Mr. Deachman's question, that in recruiting the militia emphasis should be put on the unpopulated areas of Canada outside the target areas. In other words, we should not be recruiting our militia from Toronto or Ottawa, but we should do so from areas extending all around those areas.

Mr. DRURY: Probably before expressing views of this character I would prefer to wait for the rather more considered opinion that Brigadier Suttie will produce in this committee.

Mr. MATHESON: I was thinking of the E.M.O. point of view. You are our witness.

Mr. DRURY: Obviously the emergency measures is one of the important aspects of the whole militia problem, and I am satisfied that the committee had this fully in mind.

Mr. MCNULTY: When disaster strikes in an area and you have a specific unit there, does the army, or the militia or the director of E.M.O. have charge of the survival operations?

Mr. FAGUY: Charge of the survival operations is always given, in normal peacetime, to the local authorities. Co-ordination of all the efforts is the responsibility of the co-ordinator. He is asked for assistance and he co-ordinates all the efforts.

Mr. MCNULTY: Suppose you have all three in the area?

Mr. FAGUY: The civil authority would act as required. If he wants the army to come and assist, there must be an official request to the army to come and provide assistance.

Mr. MCNULTY: They are not responsible to the permanent army unit or the permanent officer in the area?

Mr. FAGUY: The army comes in and provides assistance when requested by the provincial authorities as foreseen in the National Defence Act.

Mr. MCNULTY: Who is responsible for getting the people out of the area?

Mr. FAGUY: The local authorities, the mayor and the council. They may use the civil defence co-ordinator or some other person whom they would designate to take charge of the operations.

Mr. MCNULTY: I thought the army had authority over everyone when disaster strikes and war is declared. I was under the impression that if war is declared the army is in supreme command.

Mr. FAGUY: There are two different situations. When disaster strikes in peacetime the local authorities can request the army to come and help. In wartime, if a city becomes a target, the army has authority to come in and start re-entry operations, and give all the assistance they may be able to give.

Mr. MCNULTY: So the militia comes under the control of the permanent army?

Mr. FAGUY: And the local commander.

The CHAIRMAN: That completes the list of questioners. Are there any further questions? The committee stands adjourned until Thursday at 11 o'clock. The witness will be Commodore Groos and the topic will be the *Defence Colleges and allied training plans.*

9

HOUSE OF COMMONS

Second Session—Twenty-Sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, JUNE 25, 1964

REGULAR OFFICER TRAINING PLAN

WITNESSES:

Mr. Elgin B. Armstrong, Deputy Minister of National Defence; Commodore H. V. W. Groos, Director, Regular Officer Training Plan; and Colonel W. R. Sawyer, Vice-Commandant and Director of Royal Military College.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20978—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Granger,	MacLean,	Smith,
Groos,	MacRae,	Temple,
Harkness,	Martineau,	Winch—(24).
Langlois,		

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

ORDER OF REFERENCE

TUESDAY, June 23, 1964.

Ordered,—That the name of Mr. Lambert be substituted for that of Mr. Nielsen on the Special Committee on Defence.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

20978—1½

MINUTES OF PROCEEDINGS

THURSDAY, June 25, 1964.
(14)

The Special Committee on Defence met at 11.10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Granger, Groos, Hahn, Harkness, Laniel, Lambert, Lessard (*Lac-Saint-Jean*), MacInnis, MacLean, Matheson, McMillan, McNulty, Pilon, Smith, Winch—(18).

In attendance: From the Department of National Defence: Mr. Elgin B. Armstrong, Deputy Minister; Commodore H. V. W. Groos, Director, Regular Officer Training Plan; and Colonel W. R. Sawyer, Vice-Commandant and Director of Royal Military College.

The Chairman pointed out that Mr. Marcel Lambert, who was away on official business recently, had been temporarily replaced on the Committee's membership, with the result that the post of Vice-Chairman had become vacant.

As the House has re-appointed Mr. Lambert to the Committee, on motion of Mr. Deachman, seconded by Mr. Lessard,

Resolved,—That Mr. Marcel Lambert be re-instated as Vice-Chairman of this Committee.

The Committee proceeded to a study of *Military Colleges and related training plans.*

Mr. Armstrong read a prepared statement respecting the subjects presently under review. The Deputy Minister and Commodore Groos were questioned on the subject matter of the statement and on related matters.

At 12.55 p.m. the Committee adjourned until 11.00 a.m. Tuesday, June 30, 1964.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

THURSDAY, June 25, 1964
11 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and will now come to order, please.

Before we start with our business for this morning, there is a technical point which I would like to mention. As you know, Mr. Lambert was elected Vice-Chairman of the committee at the organization meeting. He has been away on official business for a period of time and during this period of time he was replaced on the committee by another member. So, technically, we have had a vacancy in the position of vice chairman. Now that Mr. Lambert is back, I think that we should reappoint him to that position. I would appreciate a motion nominating Mr. Lambert as Vice-Chairman of this Committee.

Mr. DEACHMAN: I so move.

Mr. LESSARD (*Lac-Saint-Jean*): I second the motion.

Motion agreed to.

The CHAIRMAN: This morning we will start our discussion on the Regular Officer Training Plan which, among other things, embraces the Service Colleges. As our witnesses this morning, we have Mr. E. B. Armstrong, the Deputy Minister of National Defence, and Commodore H. V. W. Groos, the Director of the Regular Officer Training Plan. If there is a certain family resemblance between one of the members of our Committee and the witness, I think we are fortunate that we have the handsome one at the head table. This morning we will start with a statement by Mr. Armstrong.

Mr. E. B. ARMSTRONG (*Deputy Minister of National Defence*): Mr. Chairman and gentlemen, this statement was prepared to give a few facts in the way of background on the Regular Officer Training Plan.

The Regular Officer Training Plan provides the armed forces with permanently commissioned officers holding university degrees. The plan encompasses candidates at the Canadian services colleges and at civilian universities.

The Canadian services colleges are under the direct control of the Minister of National Defence, who is their chancellor and president. There are three colleges in this system. The oldest of these is the Royal Military College of Canada at Kingston, founded in 1876, Royal Roads College at Victoria, British Columbia, was founded originally as the Royal Canadian Naval College in 1943, and le College Militaire Royal at St. Jean, Quebec, was founded in 1952. The curriculum of the three colleges is designed to allow all cadets to complete their final two years before graduation at R.M.C. Kingston.

For several years after the second world war, the services were able to obtain sufficient wartime officers to fill their needs. The university reserve units and direct recruitment also assisted in providing young officers for both the regular and reserve forces. In 1948, the Royal Military College of Canada was re-opened and Royal Roads became a Canadian services college to enlarge that source.

During the Korean war, increased requirements for officers were met by the direct recruitment of former officers, graduates of universities and junior and senior matriculants who were trained as officers within the services.

By 1952 it had become apparent that additional measures to increase the recruitment of officers with a university education were needed. Wartime officers no longer constituted a sufficient source and the number of Royal Military College and university graduates being enrolled were insufficient in number to meet service needs.

The regular officer training plan (R.O.T.P.) was introduced in 1952. Under this plan selected applicants are educated at public expense either at a Canadian services college or at a university. The introduction of the plan was accompanied by the opening of a third services college, "College Militaire Royal de Saint-Jean" (C.M.R.). This college was designed to be bilingual in character, and to obtain its candidates from junior matriculants, whereas those for the Royal Military College of Canada (R.M.C.) and Royal Roads are drawn from senior matriculants.

The R.O.T.P., both the Canadian services colleges part and the university portion, is a triservice training plan to the extent that the conditions under which candidates enter and serve are common to the three services. However, regardless of whether an officer cadet enters a Canadian services college or a university under the plan, he is from the outset enrolled in the service in which he will serve as a commissioned officer.

The R.O.T.P. is directed at producing officers with a university education for each of the services. Each service has, in addition, training plans for officer candidates without a university education. In both the R.C.N. and R.C.A.F. the majority of aircrew officers enter through the short-service commissioned officer plan. Short-service commissioned officers for the Canadian army are produced in an army training plan known as the "Officer Candidate Programme". Technical officers are produced primarily from the R.O.T.P.

At the commencement of the past academic year, i.e., October 31, 1963, there were 976 regular force officer cadets registered in civilian universities and 1102 in the Canadian services colleges. This ratio as between the universities and Canservcols, has remained more or less constant over the past several years.

Candidates for the R.O.T.P., upon application, are asked to designate whether they wish to enter a Canservcol or a university, and to signify the service they wish to enter. The applicants are then given a medical examination, intelligence tests, aptitude tests, and appear before an interview board, all within the service of their choice. The results of these various interviews and examinations are passed by the pertinent service to the R.O.T.P. selection board at national defence headquarters, which is composed of the director of R.O.T.P. as chairman and the directors of manning of the three Services and the registrars of the three Colleges. Final selection is made by the R.O.T.P. selection board, taking into consideration officer potential, results of aptitude tests and high school marks. The results of the selection are considered by a final board of selection composed of the chief of naval personnel, Adjutant-General, air member for personnel and the directors of studies of the three services colleges.

An annual intake of approximately 900 cadets has been established for planning purposes. With this intake the estimated output would be 400 graduates.

The actual intake has been below this figure. During the summer selection of 1963, a total of 705 candidates were offered cadetships. In addition, approximately 100 university students were recruited into the plan during the academic year. This exceeded the total of any previous year by some 75 cadets.

During the summer of 1963 the 705 cadets were selected from a total of 3451 applicants broken down as follows:

		Canservcols	Universities
Senior Matriculants			
1507 applicants	379 selected	193	186
Junior Matriculants			
1438 English-speaking applicants	210 selected	72	138
506 French-speaking applicants	116 selected	104	12

A block of 106 vacancies per annum is reserved for French-speaking entrants to C.M.R.

Upon entering a services college or a university, successful applicants are attested into the service. The cost of tuition, books and other fees are paid by the department and they receive $138.00 per month pay and allowances. ($73.00 per month pay, and $65.00 per month subsistence allowance. R.O.T.P. cadets at university receive their subsistence allowance in cash, whereas Canservcol cadets have rations and quarters provided by the colleges in lieu of cash). R.O.T.P. officer cadets are required to maintain a satisfactory academic standing while attending university or a services college and if they do not, are subject to discharge from the service. A cadet who fails his year may, on the recommedation of the faculty, repeat the year at his own expense.

Upon graduation from R.M.C. or a university, candidates receive a degree appropriate to the course of study they have completed and are commissioned as sub-lieutenants (R.C.N.), lieutenants (army) or flying officers (R.C.A.F.) with permanent commissions. As of June, 1964, the R.O.T.P. has produced approximately 2,400 graduates divided about equally between the Canservcol and the civilian university section. At the end of three years of full time service as an officer, R.O.T.P. graduates may elect to leave the services without financial or other obligation.

Service military training is carried out in the training schools of each service during the summer months, when the services colleges and universities are closed. By graduation, cadets are fully qualified for their commissioned rank of lieutenant in the army or its equivalent in the other services.

The Royal Military College of Canada, Kingston, Ontario, accepts senior matriculants and offers a four year course and university degrees in arts, engineering and science. The present optimum capacity of Royal Military College is 472 officer cadets. The cadet strength as of October 31, 1963, was 514. It has been necessary to use rooms designed for single occupancy for two cadets. Funds have been approved for a new dormitory and it is hoped that construction will be completed for occupancy in the fall of 1966.

Royal Roads, Victoria, B.C., also accepts senior matriculants; on successful completion of the second year, officer cadets go to Royal Military College for their third and fourth years. The optimum capacity of Royal Roads is 220 officer cadets. As of October 31, 1963, the cadet strength was 217.

College Militaire Royal de Saint-Jean, Saint-Jean, Quebec, accepts junior martriculation candidates who enter preparatory year and spend three years at the college. After successful completion of the course, officer cadets also proceed to Royal Military College for their third and fourth years. The optimum capacity of College Militaire Royal is 386 officer cadets. As of October 31, 1963, the cadet strength at College Militaire Royal was 371. Of this total approximately 56% are from French-speaking backgrounds and 44% are from English.

The courses of study in the first and second year at the three colleges are identical. Officer cadets on entering the third year at Royal Military College may specialize in courses leading to bachelor's degrees in arts (honours or general), science (honours or general) and engineering (chemical, civil, electrical, mechanical and engineering physics).

In addition to the academic courses, the Canservcols also include drill, officer development, sports, physical training, and military studies of a general nature in their curriculum. However, formal military training leading to professional military qualifications is carried out during the summer time with the cadets' service. The Canservcol year of 37 to 38 weeks runs from early September annually to late May or early June of the following year. The balance of the year is taken up with 10 weeks of military training and 4 weeks of annual leave.

The Royal Canadian Navy is administratively responsible for Royal Roads, the Canadian army for Royal Military College and the RCAF for College Militaire Royal. The senior military staff positions at the colleges are rotated between the services. The faculty of the colleges is primarily civilian at professor, associate professor, assistant professor and lecturer level, and responsible to the civilian director of studies at each college, up to 15% of the faculty may be serving officers. Regular force officers from the three services act as squadron and flight commanders, administrative officers, supply and accounts officers.

Officers serving on the staffs of the colleges are permitted to improve their academic qualifications through post-graduate studies leading to Master's degrees which may be granted by the Senate of the Royal Military College of Canada.

Finally, it may be of interest to note a few special features about the Canadian services colleges. Firstly, it is the objective of the college to produce bilingual graduates and all cadets are required to take courses in French or English in order to establish a reasonable proficiency in the second language before entering third year at the Royal Military College of Canada. Laboratory facilities and other up-to-date aids to language instruction are provided at each of the colleges. Commencing in September 1965 English-speaking cadets will be required to take one special course in French (other than courses in language) in their third year at Royal Military College. It is anticipated that a relatively small number of cadets will not have attained at this point an adequate fluency in the French language to permit them to do this and they will be required to take an extra course in French composition and grammar. Secondly, all of the cadets in the arts are given, during their course, at least 700 hours in mathematics and physics and all the engineering cadets take approximately 500 hours in the humanities. A comprehensive programme in physical training and athletics is undertaken, and lastly, the military programme is designed to develop qualities of discipline, integrity and leadership. It is interesting to note that of the graduates of the Canadian services colleges who have had the right to exercise their release option after three years commissioned service, 27 per cent have done so as against 46 per cent of the graduates from the civilian universities under the Royal Officers Training Plan.

The CHAIRMAN: We shall now proceed with the questioning. The first questioner I have on my list is Mr. Groos, the member of the committee.

Mr. GROOS: I am very interested in this matter of regular officers training, because I had some experience with it and with alternative systems which have been used by the armed forces of Canada at one time, when I was second in command of the naval college referred to in the paper. I would like to proceed with my questioning and investigate the success of the R.O.T.P. When I do this I would like to point out right away that I am investigating the success of the R.O.T.P. as a system. I am not questioning the success of the system as far as its turning out people is concerned.

In my opinion the graduates of the R.O.T.P. are outstanding young officers of which any nation would be proud. On page 5, of your brief, you are talking about figures, and you mention at the bottom of the page that:

> Upon graduation from R.M.C. or a university, candidates receive a degree appropriate to the course of study they have completed and are commissioned as sub-lieutenants (R.C.N.), lieutenants (army) or flying officers (R.C.A.F.) with permanent commissions.

And then you go on to say:

> At the end of three years of full time service as an officer, R.O.T.P. graduates may elect to leave the services without financial or other obligation.

What do they do in those three years from the time when they complete their three years course at the university or at the service college and the time that they pass this check point?

Mr. ARMSTRONG: Well, it just depends of course on the service and the particular part of the service that they have chosen. An aircrew officer for example in the Air Force if an R.O.T.P. graduate would in fact go into the aircrew and would receive training during this period and complete his aircrew training. Officers take a variety of courses of training. In fact I think certainly today—although perhaps it has not been so right through the plan—each service is paying a good deal of attention to its young officers during that period, to put them in possible places which will develop their potential, and to create for them a real interest in careers in the armed services.

Do you wish to add anything to that, Commodore Groos?

Commodore H. V. W. GROOS (*Director, Regular Officer Training Plan*): No, I think that is fair enough, sir.

Mr. GROOS: So really in the first seven years these young men in the service are there as students for the first four years, taking academic training mainly at the service colleges or at some institution of learning, and for the subsequent three years they carry on with this training, but with limited use to the service for the first seven years in which they serve?

Mr. ARMSTRONG: I think in essence that is fair. It seems to me that obviously for four years he has been educated—possibly for five years if he was at C.M.R. He has received military training during the summertime which, at the end of the period, should result in him being equipped for commissioned rank as lieutenant. Now, inevitably I would think in the early years of a man's career not only in the services but almost anywhere else, there is a considerable element of development of the individual for greater responsibilities. I would not disagree with you that in many ways that early period is one of development and training.

Mr. GROOS: So really after seven years of training at the time when he is just becoming useful to the armed forces he passes this check point where he is allowed to elect whether he should stay in the service or not.

My next question is: How many officers are required by the armed forces each year? What is the average number?

Mr. ARMSTRONG: Do you mean in total, or for the R.O.T.P. plan?

Mr. GROOS: I think it would be better for you to give the total required, because I would imagine you would like to get them all from R.O.T.P.

Mr. ARMSTRONG: No, we would not want them all from R.O.T.P. We are setting our planning sites on 400 graduates from R.O.T.P. I do not think I have the figures that would really tell the story in respect of this. But this would give you an appreciation of the number of officers required. You will recall that we tabled some figures a while ago with this committee, when looking at Bill No. C-90. In two years in the navy, 1964-1965, and in 1965-1966, the estimated attrition of officers is 503; in the army it is 1,054; and in the air

force it is 1,550; or in total, roughly 3,000. So you see from this that certainly the majority of officers are not coming through the R.O.T.P. This is accounted for to a large extent by short service aircrew, and others.

Mr. GROOS: I take it that the figure you have given me of 400, as you say, is the number you would like to have graduate from the R.O.T.P.?

Mr. ARMSTRONG: Yes, that is the present target number. But we plan to have another study made of this matter shortly.

Mr. GROOS: How was that figure arrived at? Could you tell me?

Mr. ARMSTRONG: It was arrived at basically by giving each service a basic examination in detail of the positions throughout their service that they considered required men with university education. Sometimes this was very clear, because of a particular professional qualification. As a result of that study these figures were produced which add up to 400.

Mr. GROOS: You take 900 into the R.O.T.P. plan in order to graduate four years later the number of 400. Having continued on with their service training for the following three years, they may then elect to leave. How many of the 400 do you hope to keep, or do you normally keep?

Mr. ARMSTRONG: Well, the numbers that graduate will vary, depending on whether they come in as senior or as junior matriculants. If they come in as senior matriculants, it averages now between 55 and 60 per cent. The others are below that. Do you recall the figure?

Commodore GROOS: You mean those who leave?

Mr. ARMSTRONG: No, the ones who come in as junior matriculants?

Commodore GROOS: It is only 36 per cent.

Mr. ARMSTRONG: You say it is only 36 per cent. So there is quite a large wastage with those who come in with junior matriculation, and as I pointed out earlier, for those who go through the Canadian service colleges, the history to date from the beginning shows that 27 per cent have chosen to leave the services at the end of three years, while those from the universities indicate 46 per cent.

Commodore GROOS: That is right.

Mr. GROOS: So somewhere between 27 and 46 per cent of the 400 which you hope to graduate are going to leave, when they have the option to do so.

Mr. ARMSTRONG: It averages out to 37 per cent combined. That is the experience. We would hope to improve it, but that is where it stands at the present time.

Mr. GROOS: You do not know what you are going to get at the end of the training period. You have no way to know what you are going to get at the end of this thing? Therefore you enter 900 in order to graduate 400, and to have about 270 remain in the services.

Mr. ARMSTRONG: Actually we have never taken in 900. That is the target. We have not been getting that number, although we are getting close to it. That is historically about right, I think. We should like to take in 900 in order to get 400 graduates, and although we have not quite reached that number, nevertheless subject to that, of those we do graduate, 37 per cent opt out at the end of three years, while the remainder stay in.

Mr. GROOS: To my mind this is a great weakness in the regular officers' training plan, in so far as it is not until seven years after the class starts that you really know how many you are going to retain. I think it must be very difficult in the armed forces to allow for this, particularly as my next question is this: How do you make up for the number that you find, after seven years, you are short in the armed forces?

Mr. ARMSTRONG: Well, there are of course other possibilities in terms of recruitment. Relatively few people come in who have graduated from universities outside of R.O.T.P. Recruitments are carried on through other plans such as the army officers candidate program, and the air force service commission program. The navy has a plan that has been known as the Venture plan, with the terms of which you are familiar.

Mr. GROOS: Yes. I was very closely associated with this Venture plan that you just mentioned. But it seems to me that we are going about this thing in a rather unbusinesslike way. When you want officers, you do not know how many you are going to get until seven years have elapsed, by which time you have no real way to replace those people in the age groups necessary. This is an important feaure. Can you go outside and make special efforts to take in someone else who has not had the advantages of all those seven years of training?

Mr. ARMSTRONG: I do not think, if I may suggest it, that it is quite right to say that you do not know how many you are going to get. It seems to me one must do some forecasting, and you do your forecasting based on experience. That is what we do, and therefore we are able to have some idea of what in fact we will have at any given time. I think our experience supports the fact that the number that leave has not tended to be greater than our forecast. We have had some improvement in this field, and I hope it will continue to improve, but it is hard to judge when you have reached the stage where you can consider that you have done the very best you can. I do not think one could ever hope that everyone who goes through a plan of this kind would stay in the services. Obviously young people like that will have different views from time to time as they go along.

Mr. MATHESON: Mr. Chairman, I have a supplementary question. Is not the situation very comparable to public financial support for a medical doctor? After the very expensive period of training, which may well exceed seven years, he may then disappear to the United Kingdom, the United States, or anywhere else.

Mr. ARMSTRONG: I was talking about national defence. We at least have the benefit from this plan of a well educated man going, by and large, into other useful occupations in Canada, so the man is not lost.

Mr. LAMBERT: I have a supplementary, Mr. Chairman. Is Mr. Groos not working from an over-generalization when he speaks about seven years in relation primarily to the service college man? I would like to know ultimately what proportion of the people are in the service colleges and what is the wastage there as against the wastage at the universities? I should like to point out in addition that at the universities you get the rather more specialized men, such as, say, doctors. I think I am right in asserting that a great number of them take medical training under the R.O.T.P. because it is a long financial haul, and these are the men amongst whom you lose the most at the end of these years.

Mr. ARMSTRONG: The regular officers training plan does not encompass medicine. They have another plan, which is somewhat different in that they come into it for their final three years and they are then obliged, under their contract, to stay for three years.

Mr. LAMBERT: So we can take the doctors out of this?

The CHAIRMAN: We have a large number of questioners, Mr. Groos; maybe we should continue with questioning in the specific area of wastage.

Mr. MACINNIS: I have a supplementary on this topic in reference to the possibility of losing these recruits. Is not an assumption being made here that the original four year training plan given at the service colleges combining

education and military training is given in such a way that the services recognize the fact that before they commission these officers they are useful for the service, and that it is incorrect to imply that they have an additional three years of restricted training? They must necessarily recognize within the service colleges that the four year academic training combined with the summer military training before they receive their commissions produces useful men to the army who will serve a useful purpose for the following three years in which they are required to stay in the services.

Mr. ARMSTRONG: I agree with you completely. I hope I did not give the impression that these men were not useful.

Mr. MACINNIS: We continued our discussions on the inference that seven years was the required time to train a man to a capability that was required in the particular service, but is it not a recognized fact that after his graduation from four years at military college he is then a trained and useful officer?

Mr. ARMSTRONG: I would agree with that, but there are other elements of training that go on, and I wanted to point out that this does happen in the three year period. I completely agree with what you say.

Mr. GROOS: I will just finish my questioning. What I am establishing is that there is a very high wastage rate in this system which takes in 900 and keeps about 265, and that it would be very advantageous if some means could be found whereby this wastage rate was decreased so that more of the wastage appeared at an earlier period than later on after seven years.

Mr. LAMBERT: Improve the high school standards, and you will do it.

Mr. GROOS: I wonder if we could move on to the matter of costs. Perhaps I should leave it for now.

The CHAIRMAN: Let us continue with the area of the number of students going through the colleges and the wastage rates, and so on.

Mr. DEACHMAN: I want to make this suggestion, despite the wastage of the R.O.T.P. program, it is still a cheaper way of producing an officer than the service college way of producing an officer, for the reason that if you took all costs of operating service colleges and took the graduates from your annual graduation going into the armed services, this would be a substantially greater cost of producing a student than it is to take him from the university, which is a much cheaper way of supporting a student for military training service. The result is that the R.O.T.P., I think, would produce a student cheaper than it can be done out of the service colleges. Have you figures that would substantiate this suggestion?

Mr. ARMSTRONG: Unfortunately, I have figures that would substantiate almost anything! You are speaking of the lad going through the university, as against the lad going through the Canadian services colleges?

Mr. DEACHMAN: That is right. The universities would produce a graduate much cheaper.

Mr. ARMSTRONG: It is very difficult to really make a sound comparison in this respect. First of all, the university costs we pay are of course not the total cost associated with running a university—we pay tuition fees. Secondly, there is not any question that the scheme which we bring into the Canadian services colleges at the junior matriculation level, which involves a considerably greater academic wastage, involves somewhat higher cost, and we have a fairly substantial proportion of those.

Thirdly, we, of course, have a fairly heavy proportion of our total graduates who are in engineering, which again is a rather costly university course. So if you take the all inclusive figures of the three colleges together and divide them by the number of graduates, and eventually the number who stay at the end of the three years as against the university side, with simply

the tuition fees and other things that we pay, the cost will be somewhat higher on the Canadian services colleges side. If you attempt to refine this, I think you can pretty readily come to a conclusion that this is not an entirely valid answer by taking into account some of the things I have mentioned. However, the difference in cost is not too large, even taking it on the worst comparative basis. To take it on the worst basis of comparison, where you simply take the tuition fees and so on and you encompass all the costs you can find for the Canadian services colleges, the cost per graduate in the services colleges is about $36,000 and the cost per graduate in the universities is about $16,000.

Mr. DEACHMAN: It then costs $20,000 more to graduate a student from the services college than from a university?

Mr. ARMSTRONG: If you take a career officer.

Mr. DEACHMAN: We have to relate this to their stay in the services over a reasonable period of time.

Mr. ARMSTRONG: It is $36,000 to $50,000 for the man who stays. The cost per career officer at the services college would run to approximately $50,000 on that basis, and the cost per career officer on the university side would run to about $30,000. If you take it on the basis of your senior matriculation level, and this again is difficult to do, but analysing it on that basis, the cost will come out slightly in favour of the Canadian services colleges because you take out of it the fairly substantial cost involved in taking a considerable number of people at the junior matriculation level. These figures I think mean something but they have to be treated with a good deal of caution.

Mr. DEACHMAN: I have a second question related to that. Is it the suggestion that if stress were laid on the R.O.T.P. program, the R.O.T.P. program will produce a better educated and better integrated student than will the service college? I say better educated than a student of a major Canadian university for the simple reason that he is exposed to better teaching and broader teaching than you can provide in a smaller and much more specialized college, and better integrated in that he lives in the community and with the community, and his associations are much broader than they would be in a service college. So that the student who is eventually produced from the R.O.T.P. plan will have had broader educational contacts and presumably a broader education, and will be a better integrated student because of his longer association and development within the community itself.

Mr. ARMSTRONG: This is a matter of opinion, if I may so. My opinion would tend to be in the opposite direction. There are some very special features about the service colleges. Those taking engineering courses get 500 hours in the humanities. This is not so in a normal university engineering course. Those in the arts get 700 hours of maths. and physics. There is a very intensive effort in language training at the service colleges. There is an intensive effort in terms of sports, in terms of physical education, and in terms of military training and discipline. In terms of the community, I think they do become integrated in their community, judging from my observations when I go down to Kingston or those other places, and I personally do not have any doubt whatsoever about the outstanding quality of the education that the Canadian services colleges give.

Mr. MATHESON: I have a supplementary question on that point. I wonder if I could direct the question to the commodore. I think it was at the end of the war, if I remember correctly, that R. C. Wallace, who was principal of Queen's University and active in interuniversity activities, had precisely in mind this point that Mr. Deachman has raised, namely the comparative cost of producing a military college graduate. He said something in this way, that any country, particularly a country such as Canada, needs a college where

eventually you produce a person whose temperament and personality and gifts would be devoted to the concepts of duty and valour, in other words the loyalty concept, and that this is not really the function of the university whose interest lies mainly in the liberal arts or sciences. This is, perhaps, a more speculative area of education. Dr. Wallace felt that the good universities are trying to produce officer candidates, and that there had to be, if you like, a corps of graduates coming from the royal military college, and that this was a stimulus to the country. I wonder, commodore, is this thinking archaic and ridiculous, or does it make sense?

Commodore GROOS: I entirely agree with you. I think that the facts about the release option prove what you have said. Twenty-seven per cent only of the graduates of the R.M.C. exercise their release option after three years, whereas the figure is 46 per cent for university graduates. This alone shows that the graduates of the R.M.C. gain during their time in the college a commitment to serve their country. That is why we have military colleges. I could go on to say that even if we put the whole pool of persons we pick up each year into the universities, if we had to apply the wastage rates of the universities before they graduate and 46 per cent opted out at the end, we would not get anything like the present number who stay on. It is a very high figure, attributable perhaps to the fact that at the universities one learns about making money and the other stays at the Canadian services college and learns how to serve his country, which really counts in the long run.

Mr. MACINNIS: My supplementary question has been answered. I was going to suggest that perhaps it is fair to assume that the graduates from the military service college is more qualified as a serving officer, therefore would not an extension of the required regular service time go a long way to eliminate wastage, say, from a three year required time to a five year period?

Mr. ARMSTRONG: I think this certainly is a debatable point. I believe the problem here is to balance the commitment that the young fellow undertakes against the advantage of having a man in the service a little longer with, probably, a better chance of retaining him. We have had this under consideration recently, and I suspect there will be a policy announcement on it not too far in the future which may change the present system slightly.

Mr. LAMBERT: Is one of the points to be considered here that you might have a ganging up in the lower officer ranks if you held these regular officer training plan graduates to a five year commitment?

Commodore GROOS: I do not think we worry about this. We can promote them, of course. Currently we are not getting as many as we really would like to get. I do not think this is what really worries us.

Mr. MACINNIS: The first part of my question has not been answered. Would it be fair to assume that a graduate of a service college would be more qualified than a graduate from one of the civilian schools, shall we say, with regard to their particular training?

Mr. ARMSTRONG: Well, they do of course get discipline and military training in the services colleges which, to some extent, is not available to those attending university. They both, of course, take some training in the services so that they attain the qualifications which arise out of that. I, myself, have always felt there is some advantage in not having the stream entirely from one source or the other, and that there is an advantage in having some people come in from the universities as well as from the service colleges.

Commodore GROOS: Regarding the quality of the education in the Canadian service colleges, this year among the graduates of R.M.C. there were

two Rhodes scholarships, one Athlone fellowship and eight other major scholarships awarded for going on to postgraduate work. I think this is an enviable record.

Mr. MATHESON: Were there not four Rhodes scholarships in the last five years?

Commodore GROOS: I think there were four in five years.

Mr. DEACHMAN: Where we left off, Mr. Armstrong, I think you had made the assertion pretty strongly that you feel a student in one of the service colleges will enjoy as broad or a broader liberal education than he would in any of the Canadian universities?

Mr. ARMSTRONG: I did not exactly say that. I did say it is my opinion that it is outstanding education.

Mr. DEACHMAN: This question relates to the matters we have been dealing with, cost and education. Is there a possibility of integrating the service colleges on the university campuses as a whole faculty; has this been studied, having in mind the advantages or disadvantages?

Mr. ARMSTRONG: No; I do not think I could say that really has been studied. Of course, we have the reserve training divisions at a number of the universities, and the regular officer training plan people attending those universities are looked after by those staffs. We never really have looked at the possibility of faculties of this type at universities across the country.

Mr. DEACHMAN: In the case of British Columbia, for instance, instead of operating a service college as is done now, could it be integrated as a faculty of the University of British Columbia, or as a faculty of the University of Victoria, or something of that nature?

Mr. ARMSTRONG: We have some association with civilian universities.

Commodore GROOS: At the University of British Columbia there is a fairly large body of permanent force cadets on the campus in addition to the regular officer training plan. These are men in the ranks who qualify to go to universities to get their degrees. We have a tutor on the campus to help them out. There is a body of about 100 permanent force people on the campus. They are administered as a unit and looked after by their staff officers. In the case of some, there is tutoring. It works out extremely well.

We have not studied any plan to have a faculty set up anywhere at a university. If the enlisted men are young enough they can go to the Canadian services colleges, but if they are over 21 it is customary to send them to the universities to get their degrees.

Mr. ARMSTRONG: There is a close association where there are universities in the same location. For example, in respect of the Royal Military College and Queen's University there are interchanges of lectures and professors from time to time. There have been arrangements with Queen's University for the granting of graduate degrees, where the work really had been done at R.M.C. This had been worked out between the two colleges. In the future we will be granting graduate degrees at the Royal Military College itself.

Mr. DEACHMAN: I have one more question. What incentives are you exploring to get graduate officers within the service for a second stage of enlistment in order to replace these drop outs? This must have a cost to you. It must be a measurable cost. When losing a man, you must be able to put against it a measurable cost incentive equal to the amount of cost involved. To what extent have these incentives been explored in order to retain men in the services?

Mr. ARMSTRONG: There has been a great deal of study, of course, given to this particular subject with the object of reducing the wastage rate. We have

not, I think, considered incentives in the sense—if you are thinking of it in terms of paying a bonus to stay in, or something of that kind. But each service has very carefully examined the means by which it can improve the career pattern of these individuals. Careful attention to it reduces the possible wastage at the end of three years. This wastage varies depending on the qualifications of the individual. There is a higher wastage, for example, among certain technically qualified people who may feel that, having the experience, in their work in the service they are not devoting as much of their efforts to their civilian professional qualifications as they had hoped. They might tend to leave on that account. We would hope that with the new integration of technical services we can provide a better career opportunity in the technical field for this type of operation. We think this would prove to be beneficial.

Mr. SMITH: I hope that Mr. Armstrong used the word "wastage" in its narrowest sense, because it does not seem wastage to me to have a graduate of a military college go into civilian life in Canada.

Mr. ARMSTRONG: I am being completely narrow when I say that I agree with you, Mr. Smith.

The CHAIRMAN: Now, Mr. Winch.

Mr. WINCH: It is my understanding that if one goes through the Canadian service colleges and spends four years, then he must serve three years before he can elect to sign out. Then there is a different plan under which you can take your training. If you come in, shall I say, as a medical or dental student you must have a contract to serve for five years before you can sign out.

Mr. ARMSTRONG: There is a separate plan for both medical and dental officers. First of all, they do not come in to a university career from the outside. I believe they are obliged to sign in for five years, but I wish to check on it.

Mr. WINCH: Would you have any figures of the narrow basis of wastage in comparison with those under the other plans such as the medical and dental plan, as compared to those who come through the colleges?

Mr. ARMSTRONG: I do not have them here. The drop outs would be somewhat larger, I would say. But I can get you the actual figures if you would like to see them.

Mr. LAMBERT: Is it not a fact that there is a program whereby after five years service a man is entitled to a period of postgraduate training at the expense of the services, and that as soon as the postgraduate training is obtained, the services might lose that man?

Mr. ARMSTRONG: Not necessarily.

Mr. LAMBERT: I mean the services would lose them, but nevertheless they are highly qualified as doctors in the country.

Mr. ARMSTRONG: We have quite a few highly qualified specialists who have obtained their degrees and qualifications within the services, and who have stayed with the services. There is an obligatory policy that after having taken postgraduate work, they must remain.

Mr. WINCH: According to figures given by the deputy minister the number of those who graduate in the Canadian service colleges have to serve three years, as I recall it, to compensate for the attrition which takes place and other matters. May I ask Mr. Armstrong concerning a man who does not serve for four years and then three years, but who joins the service because he wants to join the service? He receives seven years training inside the service. Now, what is the prospect of those men with the seven years of knowledge, education, development, advancing to officer's rank? How do they compare, and how does it work out between the persons who have received a straight seven years

training as compared with the persons who come from the colleges of the same rank, and who would start in at the same time as lieutenants?

Mr. ARMSTRONG: I thought perhaps I had the two figures on the number of men who entered the ranks and those who were now in the ROTP or in the universities.

Mr. WINCH: Do they have to go to a university?

Mr. ARMSTRONG: No, they do not. You ask first of all about the men who came into the ranks and went eventually to university?

Mr. WINCH: No, I am sorry. I meant those who, after their seven years, are qualified because of their services, education, and learning to be promoted to officer rank.

Mr. ARMSTRONG: Well, not necessarily. As I pointed out, there are other sources of officers who come in under different types of commissions who do not have university education. At the same time there are plans under which a man who enters into the ranks, who shows promise and ability, may then advance into the university training program. They go to university or to a Canservcol, and of course, when they graduate, they are commissioned. There are others who will obtain a commission rank through other primary methods, generally speaking coming up through the N.C.O. ranks and ultimately being given a commission. But I do not think I can tie this in with any given period of time such as seven years, because the conditions are quite different.

Mr. WINCH: Is it usual, and is there a considerable number that can be promoted?

Mr. ARMSTRONG: Yes, there is a considerable number. I was going to give you the number who are actually in the university plan. Let me see. There are currently about 75 men from the ranks who are at university who are taking the regular officers' training plan. Now, I do not have the statistics here at the moment as to how many men over a period of time are promoted from the ranks to the commissioned officers status but I could get it for you.

Mr. WINCH: I wish you would because I think it is an interesting point. I am thinking of a person joining and serving seven years. Just what is the possibility of his being promoted from the lower ranks? And I have one other question. We have been told about wastage and drop outs. We have been given some figures of the cost of training in the colleges. If a man got three years, and in the following years he completes his seven years between college and actual service, then he is just at the height of efficiency and proficiency. Do you have any estimate of the cost of seven years, shall we say, for educating that man, and when he is proficient, in aircrew or in the navy, whatever it may be? What would be the approximate cost?

Mr. ARMSTRONG: Of course I do not have the figures with me. It depends on what training is involved. If he should become an aircrew officer, as you know, the costs are very high indeed.

Mr. WINCH: I understand they run around $80,000.

Mr. ARMSTRONG: Yes, roughly $90,000 to wing standard. And if he should go on beyond that, it would be considerably more.

Mr. WINCH: How does it compare with the $36,000?

Mr. ARMSTRONG: No, that would be the cost of flying training.

Mr. WINCH: I was interested in this because—this may be a naive way of putting it—when you are going to figure the cost to the Canadian services of getting a proficiently trained officer, it is not only the cost of that officer to your department, but it is also the cost of those who drop out too. Therefore we are spending an awful lot of money in order to obtain 50 per cent.

Mr. ARMSTRONG: No, it is better than that; in aircrew the drop out runs about 25 per cent.

Commodore GROOS: In the over-all.

Mr. ARMSTRONG: All aircrew?

Commodore GROOS: Yes.

Mr. WINCH: Does it apply on a similar basis to the navy?

Commodore GROOS: In the aircrew classification, yes.

Mr. WINCH: I mean with the navy becoming so technical with all their new scientific equipment, what does it cost to train a man therein?

Mr. ARMSTRONG: The aircrew drop out is 22 per cent from the Canadian service colleges.

Mr. WINCH: What is the percentage with the navy and their technicians?

Mr. ARMSTRONG: The navy is quite high. The history so far shows an average of 48 per cent.

Mr. WINCH: You say that the average is 48 per cent?

Mr. ARMSTRONG: There is a 48 per cent drop out of graduates from the university and service colleges.

Mr. WINCH: You do not have any figures as to what it costs to train that kind of personnel in the navy?

Mr. ARMSTRONG: I do not have a figure on that, and it would of course be rather difficult to get because you have to take a look at the particular training that each man has received.

Mr. LAMBERT: I wish to change to a somewhat different pattern of questioning, so if there are any more questioners in the area of wastage and cost, I will defer to them.

Mr. HARKNESS: I have a number of questions in connection with wastage. With the constantly increasing complexity of technological knowledge required both for the maintenance and operation of modern military equipment, what proportion of the officers, is it estimated, need to have university degrees?

Mr. ARMSTRONG: I do not happen to have the figures. Commodore Groos says he believes it is approximately one third. I might add, Mr. Harkness, that as a result, as you will probably recall, the Glassco commission made a couple of recommendations; firstly to study how many officers or university graduates were needed, and secondly the best way of getting them. These two studies will be going ahead, but because of the other changes that were being made, they were deferred a little until the new chief of personnel takes over, and we will then give this some priority. What the answers will be, I am not sure.

Mr. HARKNESS: It is estimated that approximately one third need be university graduates. What proportion have you of university trained graduates as officers at the present time?

Mr. ARMSTRONG: We do not have the figure. We can get it, its quite a bit lower.

Mr. HARKNESS: This is the point I wanted to make, for optimum efficiency in the services the number of university trained graduates is smaller than it should be, and therefore efforts should be made to increase the number of university trained graduates.

Mr. ARMSTRONG: I think that is a fair conclusion. I would not like to prejudge the study that is going to be made.

Mr. HARKNESS: Of the university graduates required, what proportion would be in the scientific and in the engineering fields?

Mr. ARMSTRONG: It is about one third in the engineering, one third in arts and one third in sciences. That is roughly the figure.

I think Colonel Sawyer is shaking his head. I would not want to misinform you on this.

Colonel W. R. SAWYER (*Vice-Commandant and Director of Studies, Royal Military College*): Fifty per cent in engineering and the other fifty per cent divided between arts and sciences.

Mr. HARKNESS: This does not take into consideration the medical and dental people?

Mr. ARMSTRONG: Yes, they are excluded.

Mr. HARKNESS: Do you have a further proportion beyond the one required for medical?

Mr. ARMSTRONG: That is right.

Mr. HARKNESS: As far as wastage is concerned, there are two types of wastage: First, the wastage in the colleges themselves, and second, the wastage after the graduates have gone into the services and then quit after three, four or five years. Dealing with the first of those types of wastage, your intake is approximately 900 cadets in the Canadian service colleges. Is that intake entirely in those colleges?

Mr. ARMSTRONG: No.

Mr. HARKNESS: And you have an output of about 400 graduates?

Mr. ARMSTRONG: I should make it clear that it is what we are striving for. We do not actually have quite that number.

Mr. HARKNESS: But in any event your wastage is around 50 per cent?

Mr. ARMSTRONG: It would certainly be 50 per cent in total. In fact I think it is a little less than that probably, but in total it is a little more than 50 per cent.

Mr. HARKNESS: This, of course, is one of the reasons why the cost of securing these officers or of training these officers you get in the services is really very high, and therefore in order to cut down on these costs you have to cut down on the amount of wastage. What are the reasons for the wastage?

Mr. ARMSTRONG: Of course, there are a variety of reasons. First of all, they are academic, and I might just point out for example, that, taking the year 1960, which would be the last year for which we have now a record in graduates in the Canadian service colleges, there were 349 entrants, and 181 graduates in 1964, in the university section there were 323 entrants and 133 graduates. I believe the wastage in most of these courses through universities runs at about 50 per cent. You would naturally have some others who would leave, possibly because of medical reasons and some boys who enter and then decide that this is not the life for them. You have a few dropouts on that account; but predominantly this is a problem of academic wastage, I think. Of course, that goes back to some degree to your ability to select people of a high standard who come into the courses in the first place.

Mr. HARKNESS: Is one of the deficiencies here, or one of the difficulties, an inability to select properly or sufficiently effectively?

Mr. ARMSTRONG: In our selection, by and large, we are coming up with an output that is good and I think slightly better in some cases than the universities. As indicated by the figures, we have a fairly wide selection, particularly with the senior matriculants. With those who come in from junior matriculation one does, of course, have an extra wastage that results from that year, and this adds to the total wastage figure.

We have been exploring various means of selection and various selection methods for these colleges, and the directors of studies and others have been

doing some research in this field as well, I believe, as the conference of Canadian universities, who are working in this field particularly with respect to the type of tests that are now used in the United States which are known as the college entrance board tests, and that kind of thing. So this sort of research is going on and all of these things are designed to improve the selection. However, on the whole I think our selection methods at the moment compare reasonably well with the selection methods used in other institutions in terms at least of the wastage that occurs.

Mr. HARKNESS: How does this wastage of ours compare with that in the British service colleges and with the United States service colleges?

Commodore GROOS: It certainly is higher, but our standards of education are higher too. Certainly our wastage is higher, sir, but the standards we require on graduation are also much higher. I think the British colleges do not give degrees, for instance, and the United States academies give just a set type of degree, whereas we cover a broader field and give engineering degrees.

Mr. HARKNESS: The United States colleges give engineering degrees also, of course.

Commodore GROOS: They just give the bachelor of science degree, and they are not quite comparable.

Mr. MATHESON: May I ask the witnesses if they know whether Harvard, by very careful study of selection methods, was able to reduce the wastage or attrition to something in the order of five per cent?

Mr. ARMSTRONG: I think you are right; their wastage was something like five per cent. However, this is a rather special institution.

Commodore GROOS: They have very special candidates applying.

Mr. HARKNESS: Certainly the amount of wastage in these colleges was always, as you perhaps recall, a great worry to me. I have been strongly of the opinion that every possible step must be taken to cut down that wastage. I think the first and most important consideration is in selection. I started asking what were the reasons for this wastage, and it would seem to me that a good deal of it is not directly concerned with academic ability. People fail these courses in many cases because they get fed up with the life, or for some other reason along this line; and in some cases I think they deliberately fail the courses in order to get out of the service college and to be discharged.

Mr. LAMBERT: The November plowing!

Mr. HARKNESS: This is where one comes to the difficulty in selection. In order to avoid that, one has as far as possible to select people with an extremely strong motivation to serve in the navy, army or air force, as the case may be.

Mr. ARMSTRONG: I have no doubt that there are a few who deliberately fail because they want to get out, but I do not think the numbers are too high. Motivation, I think, is very important in this, but we are dealing with young fellows of 17 and 18 years of age and I know that it is sometimes difficult for those youngsters to have as strong a motivation at that period as they would perhaps have later. I hope what motivation they have will be fortified in the services colleges during the course there.

The CHAIRMAN: A supplementary, Mr. MacInnis?

Mr. MACINNIS: Yes, Mr. Chairman, I have a supplementary question.

Mr. Harkness has brought up the desire to have a very strong selection board in reference to the attitude of any particular applicant for service colleges. Further reasons for wastage have been given as medical and academic. I would be very much interested to know what percentage of the dropouts are brought about because of disciplinary action.

Commodore GROOS: It would be very, very small indeed. It would be a very minor factor. I would say, really, it would be insignificant. There are a few cases but they are not important as a factor, I think.

Mr. MACINNIS: Do you apply this to the academic part of the training or do you advance the whole question over the period of their flying time, say, or their specialized training in the army or the navy? Do you say the percentage is small?

Commodore GROOS: I would say it is minute.

Mr. GROOS: I have a supplementary question. I would like to substantiate from what my experience has been with regard to Mr. Harkness's remarks concerning the matter of motivation.

I had quite a bit to do with the selection of some officers for R.O.T.P. I was chairman of the selection board in the west for one year. From my experience it appeared that the great majority of young men applying for R.O.T.P. applied for Canadian services officers in Canadian establishments of any sort and they were not too strongly motivated. A great number of them came to take a look and, if they liked what they saw, they were prepared to stay.

It was my experience that if you could find some way of motivating these people earlier on there was a very, very much better chance of graduating them because they were conditioned and wished to go ahead with their academic work and service training. With that in mind, I would like to ask whether or not you have made any attempts or undertaken any studies to ascertain any means of providing this motivation toward the services in the very early stages of this seven year period.

Commodore GROOS: Yes, we have given a good deal of thought to it. There are a number of plans we are hoping to formulate.

Mr. GROOS: I have one more question. If you could have your wastage in that very first year or two and then have comparatively little wastage from thereon it would seem to me that you would be very far ahead of the game and you would not need to take in 900; you could take in far fewer. This procedure would cut down on expenses and, more important, it would cut down on the amount of effort that has to be put into the training of these people during that seven year period, such a very large part of which is subsequently wasted.

Commodore GROOS: We never have taken in 900. Seven hundred and seven is the highest number we have been able to obtain, and that was last year. We are ready to take in up to 900 but we never met this target.

I quite agree with you that if we could sort them out at the beginning, so much the better. We have done a great deal of study and given a great deal of thought to that point. This year, for the very first time, we are using as an experiment the college entrance examination board's tests to try to determine their validity in the preselection of students. McGill university and Bishops use these tests to help them in making early nominations to their universities; if we could do the same thing in the service colleges in order that by the end of June we would know what candidates we wanted, it would be much better. Then, if we could give them six weeks before university opens to indoctrinate them we could sift out before the work year begins those whose motivation is poor and who are trying to get in to get an education for free, thereby eliminating some of those whom we had preselected. If we did that we feel we could cut down a great deal on the wastage. But, as you will realize, this takes quite a bit of working out. At the present time the selection system works in such a way that we do not really know who we are selecting until the end of August, which is very late in the summer and there is no time to give them a preliminary shakedown cruise, as we call it in the navy. The American services have had great success with this "midshipman's cruise" in Annapolis. They refer to it as something else in West Point and something else again in Colorado Springs.

Mr. LAMBERT: How do you expect to do that when high school results are not out until August 1?

Commodore GROOS: That is it. We must wait for them. But, if we could correlate these tests with high school results we would know in advance which students are the best students, and we then would be able to give them a preliminary selection, as it were.

The CHAIRMAN: I think we should revert back to Mr. Harkness' questions.

Mr. SMITH: I should like to ask a single question in respect of what the Commodore has said.

The CHAIRMAN: Do you have a brief question, Mr. Lambert?

Mr. LAMBERT: Yes. We have done a lot of talking about this question, but I take it you have not been able to find these people who are prepared to accept military discipline at an early stage; is that right?

Commodore GROOS: If we were able to carry out a short indoctrination course, we would have a better idea whether they really are intent on a military career, and we should be able to fire their enthusiasm.

Mr. LAMBERT: Your difficulty actually arises in the early months, is that right?

Commodore GROOS: Yes.

Mr. SMITH: Could you not accept them provincially as it were, on July 1 of the year, subject to their having passed academic examinations, so that by the end of August you would have a better idea of their intentions?

Commodore GROOS: We would then have to look after 4,000 of them.

Mr. ARMSTRONG: I think what the Commodore has been saying in respect of these college entrants is that you can get them early. If you can establish a proper co-relationship, which I think can be done now with the results of the tests and by considering what you can expect from the tests because the results of the examinations will come out in August, you can make your selection early and then have a little time in which to do some indoctrination.

Mr. SMITH: To cover the wastage could you take 25 per cent over the number required in July?

Commodore GROOS: That could probably be done.

Mr. HARKNESS: I think something done along those particular lines would considerably improve this situation, and I would hope something of that type can be done. I do not see any insuperable difficulty in the way because, it could be done on the basis of the academic standing of an individual during the individual's high school career. There will be a reasonable proportion of people apply for this course before their final results come out but I do not think it is essential to have their final examination results in order to have a pretty good idea of their ability.

Commodore GROOS: We have 11 educational systems in Canada.

Mr. ARMSTRONG: Of course, in the final analysis one will have to test the improvement to find out the extent to which it reduces wastage compared with the cost—and it will cost money.

Mr. HARKNESS: As far as the second type of wastage is concerned, and that is that which takes place after three years in commissioned service, there is a very high proportion, upwards of 50 per cent, of the graduates from civilian universities who quit at that stage. This indicates, of course, as Commodore Groos stated a few moments ago, a very large number of these people who enter the R.O.T.P., particularly in civilian universities, do so in order to have their education paid. I think this is the chief reason for the very heavy wastage after the three year period. Once again I think this matter of motivation comes into the picture. I think there should be greater efforts made than in the past

to determine whether the purpose in an individual's mind when entering this plan is to gain a cheap education or to make a career in the services.

Mr. ARMSTRONG: Your suggestion touches upon the same problem, and I think you would be prepared to admit, Mr. Harkness, that there is a very difficult problem in relation to the establishing of a motivation.

Mr. HARKNESS: It is a difficult problem but in my own experience I have found that a lot of these individuals quite openly admit their intention is to get an education, which they or their families could not provide otherwise, at the expense of the national defence department and that once they have served the three years they intend to enter civilian life.

Mr. ARMSTRONG: I have no doubt that that is so in respect of quite a number of cases.

Mr. HARKNESS: How much effort is made to determine whether that is the purpose of the individual when the individual makes application?

Mr. ARMSTRONG: All the boys are interviewed by the interviewing board and one of the objectives, of the examination is to find an answer to that question.

Commodore GROOS: That is absolutely correct.

Mr. MACINNIS: May I ask a supplementary question, Mr. Chairman?

The CHAIRMAN: Is your question a short question?

Mr. MACINNIS: My question is very short. Is it not feasible for the service to give priority to the high school student who has interested himself in a student militia training program and who is a prospective entrant to the service colleges? Perhaps such a study would provide you with sort of a shakedown period during which you could get a fair idea of the individual's attitude toward the service.

Mr. ARMSTRONG: That is in fact done because a boy who has been interested in one of the cadet or reserve programs obviously has that as a factor in his favour in respect of selection.

Mr. MACINNIS: He is given priority now?

Mr. ARMSTRONG: Yes.

Mr. HARKNESS: The next question I would like to ask is, how much consideration now is being given to extending the obligatory period of service from three years. Perhaps you will remember I was quite strongly considering extending it to five years. In fact, my own view is that it should be at least five years. I think three years is too short. On that basis you do not get a large enough proportion of people staying in to justify the cost. I think that on a five year basis at the very beginning you would weed out a large number of people who come in solely for the purpose of obtaining a paid for education.

Mr. ARMSTRONG: This, in fact, has been under consideration. A decision has all but been taken on the subject; it has not been announced. I think perhaps I would prefer to have a minister announce it. He might be perfectly prepared to announce it to this committee when he appears before it.

Mr. HARKNESS: What is the obligatory period in the United States and Britain?

Commodore GROOS: There is no obligatory period in the British forces. They sign on to serve at the Queen's pleasure; they can get out almost any time, but very few do. In the United States forces I understand it is four years.

Mr. HARKNESS: In the British system you say they can get out, but is that actually the case? Is it not quite difficult for them to get out?

Commodore GROOS: I do not think so. When I was serving in the Royal Navy I know a number of my contemporaries resigned and had no difficulty getting out any time they wished.

Mr. LAMBERT: My question deals partly with wastage, but primarily with the standards of education in the various provinces, and the difficulty of assessing the standards when you have students from 10 or 11 provinces. The service college primarily is geared to the Ontario high school standard. What result do you get? Has any study been made which would show that students from certain provinces have a much more difficult time fitting into the pattern of your service colleges?

Mr. ARMSTRONG: I think there probably are statistics of that kind.

Commodore GROOS: We make a lot of studies in that regard. It is done by the registrars and the directors of studies at our colleges. All our junior matriculation candidates across Canada should come up to our standard for entry to C.M.R. They take a very brief examination. They have to pass this in order to qualify for entry to C.M.R. or to be sponsored by the services to enter a junior matriculation university.

Mr. LAMBERT: Let us get on to senior matriculation.

Commodore GROOS: This is a delicate area.

Mr. LAMBERT: This is where we are having problems. I know in my own province of Alberta there have been difficulties in this regard. I do not think that being polite or genteel about it is going to cure the problem.

Commodore GROOS: They have to write aptitude and intelligence tests which they must pass, and get a high rating. Then, their whole high school record is looked at by the registrars of the colleges, and the service selectors. As a result of screenings, they make the selection. We do demand pretty high standards in Ontario, but they are not geared entirely to Ontario. We want to pick our candidates from all across Canada. In so far as the service colleges are concerned, one half of the entrants each year in all three colleges should be distributed pro rata to the population across the provinces concerned; but the standard of senior matriculation entry is high. We like to see Ontario candidates who have about 68 per cent averages in their senior matriculation examinations. Most of the entrants at Royal Roads come from Ontario, and similarly in the case of Royal Military College.

Mr. LAMBERT: At the University of Alberta, for example, they have had to introduce remedial courses in the junior years at university in order to take care of deficiencies in the high school programs. It is not the purpose of the service college to introduce remedial course in order to bring people up to their standards. That is what I am concerned about. Do the provinces generally meet your immediate entrance standards, and your continuing standards, or from what provinces are the students who get into a difficult position in order to continue?

Commodore GROOS: Students from Newfoundland and the maritime provinces sometimes do have difficulty, let us say; but even there, generally speaking, we have been able to fill their quota allocation which covers one half of the total entrants. The colleges' vacancies are divided on a *pro rata* basis between the provinces. Newfoundland for example is allocated seven but only one was accepted last year, Prince Edward Island is allocated two, but only one was accepted. I think the other maritime provinces came pretty close to providing the numbers they are allocated. But all this is rather embarrassing.

Mr. LAMBERT: It may be embarrassing, but I do not think that some of our provincial educational standards meet our university requirements, and your service colleges requirements. It is not the role of the service college to have to give remedial courses. It is something which should be taken up at the provincial educational level.

Mr. ARMSTRONG: Without getting into a discussion of it in particular, we

do in fact have cadets from all the provinces. So they do meet our requirements, at least some of them do.

Mr. LAMBERT: Let us take an average student from these provinces. He may be deficient in mathematics or science.

Commodore GROOS: Yes, but he may be up in something else.

Mr. LAMBERT: Oh, yes.

Mr. HARKNESS: But is it not plain that you do not want the average student?

Commodore GROOS: That is right: We do not take the average student. It is more difficult to get into our colleges than it is to get into universities. In practice many students who do not get selected by us find it relatively easy to get into a university.

Mr. MACINNIS: What would the washouts be in regard to the applicants from the different provinces?

Mr. ARMSTRONG: We do not have those statistics with us today, although I think they are available.

Mr. LAMBERT: I would like to know, over the last two years, the number of drop outs from the service colleges on the basis of the provinces from which they come. Their academic records, and things like that.

Mr. PILON: As a supplementary question: How about leadership?

Mr. ARMSTRONG: I am not sure I understand you.

Mr. PILON: I say: How about leadership apart from the academic side?

Mr. ARMSTRONG: I am not sure what you would like me to discuss under leadership.

Mr. PILON: We emphasize the fact that we always wait for results. There is one thing we should underline and that is leadership.

Mr. ARMSTRONG: Yes.

Mr. PILON: Do you not think you should have a better average of leadership?

Mr. ARMSTRONG: Well, actually, we agree. Leadership should be emphasized, and in fact it is at Royal Military College. This is one of the very important factors that is taken into account.

Mr. LAMBERT: I have completed my questions.

The CHAIRMAN: We are just about up to the point of adjournment. Rather than start with another line of questioning, I suggest that we adjourn. I am carrying forward to our next meeting the following names who wish to ask questions: Mr. McMillan, Mr. Laniel, Mr. MacInnis, and Mr. Smith, in that order.

Mr. GROOS: When shall we meet again?

The CHAIRMAN: The committee now stands adjourned until Tuesday at 11 o'clock.

HOUSE OF COMMONS

Second Session—Twenty-Sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

THURSDAY, JULY 2, 1964

REGULAR OFFICER TRAINING PLAN

WITNESSES:

The Honourable Lucien Cardin, Associate Minister of National Defence; Mr. Elgin B. Armstrong, Deputy Minister of National Defence; Commodore H. V. W. Groos, Director, Regular Officer Training Plan; and Commander G. Clarke.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21023—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Granger,	MacLean,	Smith,
Groos,	MacRae,	Temple,
Harkness,	Martineau,	Winch—(24).
Langlois,		

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, July 2, 1964.
(15)

The Special Committee on Defence met at 11.40 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Deachman, Fane, Granger, Hahn, Lambert, Langlois, Lloyd, MacRae, Martineau, Matheson, McNulty, Pilon, Smith, Temple, Winch—(15).

In attendance: Honourable Lucien Cardin, Associate Minister of National Defence; Mr. Elgin B. Armstrong, Deputy Minister of National Defence; Commodore H. V. W. Groos, Director, Regular Officer Training Plan; and Commander G. Clarke.

On motion of Mr. Temple, seconded by Mr. Smith.

Resolved,—That the Committee meet at the Royal Military College at Kingston, Ontario, on Tuesday, July 7, 1964.

On motion of Mr. Smith, seconded by Mr. Deachman.

Resolved,—That the informative paper on Disarmament and Arms Control requested by the Special Committee on Defence during the past session for the use of this Committee, be distributed to Committee members, and that the author of this paper be paid the sum of $300.00.

The said paper was identified as "Exhibit No. 8"

The Committee resumed its consideration of the *Regular Officer Training Plan.*

Mr. Cardin read a short statement, respecting the required period of service for graduates of the training plan.

Mr. Armstrong supplied information requested at the previous meeting.

Messrs. Cardin, Armstrong, Groos and Clarke were further questioned on the operation of the Regular Officer Training Plan and on related matters.

At 1.00 p.m. the Committee adjourned until Tuesday, July 7, 1964.

E. W. Innes,
Clerk of the Committee.

21023—1½

EVIDENCE

THURSDAY, July 2, 1964.

The CHAIRMAN: Gentlemen, we now have a quorum. Before we start our meeting there are two motions which I wish to put before the committee. First of all, next Tuesday arrangements have been made for the committee subject to its approval, to proceed in the morning to Kingston, to visit R.M.C., returning late Tuesday afternoon. I would appreciate a motion that the Committee meet at R.M.C. on Tuesday.

Mr. TEMPLE: I would so move.

Mr. SMITH: I second it.

Motion agreed to.

The CHAIRMAN: It is agreed.

You will be notified of the time of departure. We will be going by bus, and the time is now tentatively set for 8 o'clock Tuesday morning.

Mr. LAMBERT: Please make sure there will be more people than we have here at this meeting.

The CHAIRMAN: We certainly shall.

The second item is that we have received another of the papers that was ordered by the Committee last session, a paper on Disarmament and Arms Control by Hedley Bull. I would like a motion that the paper on Disarmament and Arms Control requested by the Special Committee on Defence during the past session for the use of this Committee be distributed to committee members; and that the author of this paper be paid the sum of $300.

Mr. SMITH: I would so move.

Mr. DEACHMAN: I second it.

The CHAIRMAN: It is agreed.

Motion agreed to.

We will resume our discussion on service colleges, and we will start this morning with a statement by the Associate Minister. After that Mr. Armstrong will give you some information in answer to questions raised last meeting, and then we will proceed with our questioning.

Hon. LUCIEN CARDIN (*Associate Minister of National Defence*): Mr. Chairman, and gentlemen, I have a very short statement to make concerning the regular officers training program.

Officer cadets who are offered cadetships in the regular officer training plan subsequent to September 1, 1964, will be required to serve as commissioned officers for four years following their graduation from the Canadian services colleges or civilian universities.

At present, young men who are offered cadetships in the regular officer training plan agree to serve for three years as commissioned officers following graduation. Records show that 73 per cent of those who graduated from the royal military college, Kingston, Ontario, and 54 per cent of those who graduated from the civilian universities under the regular officer training plan have remained in the services beyond the three-year period.

It is believed that the substitution of a four-year period will result in an improvement in this respect, particularly among the graduates of the civilian universities because the officers concerned will have a wider experience in the armed forces and will have advanced to more responsible and interesting positions by their fourth year. One additional year of service is not, on the other hand, considered to be too great an undertaking to ask young men to accept in consideration of four or five years of education at the service colleges or universities at departmental expense. It may result in some of these young men being motivated to a greater extent towards a military career before entering the regular officer training plan. If it does, the additional year should for this reason also be beneficial in terms of the numbers who remain with the armed forces.

This change in the terms of service had been under study for some time and the royal commission on government organization, in its report on military education, had suggested that consideration should be given to an extension in the period of obligatory service. The new regulations will not apply to officers or cadets now in the system or to candidates who are offered cadetships in August at the conclusion of the current summer selection period.

The CHAIRMAN: Mr. Armstrong, do you have some answers to give to questions raised at the last meeting?

Mr. E. B. ARMSTRONG (*Deputy Minister of National Defence*): Thank you, Mr. Chairman. A question was asked as to how many service personnel were promoted from the ranks to commission status in the last five years. There were 1,070 promotions of that character.

Secondly, how many of these completed university training? A total of 86 of 1,070 completed university training.

What percentage of commissioned officers now serving have university degrees? The total is 29.6 per cent of commissioned officers have university degrees.

There was also a question as to enrolments at the Canservcols by provinces, and the number who failed to pass their first year. These statistics cover the period from 1959-60 to 1963-64 inclusive: British Columbia, 172 enrolled, 17 failed to pass their examinations at the end of the first year; Alberta, 124 enrolled, 18 failed; Saskatchewan, 114 enrolled, 24 failed; Manitoba, 68 enrolled, 11 failed; Ontario, 612 enrolled, 76 failed; Quebec, 617 enrolled, 76 failed; New Brunswick, 34 enrolled, 7 failed; Prince Edward Island, 4 enrolled, one failed; Nova Scotia, 35 enrolled, 14 failed; Newfoundland, 5 enrolled, 3 failed. Of others that did not come in specifically from the province—this would include boys who are, for example, attending our own schools overseas—28 enrolled, 4 failed.

The CHAIRMAN: Does that complete your information?

Mr. MARTINEAU: Is it in order to ask the associate minister a question in regard to his statement?

The CHAIRMAN: Yes, it is. I have a list of questioners carried forth from the last meeting, of whom two are here now, so that we will start the questioning with Mr. Smith, followed by Mr. Deachman, and then we will be open for further questions. I would remind the committee members that we have an hour and a quarter left, and I would ask each person to limit his questions as much as possible so that everyone gets a chance.

Mr. SMITH: I suppose a logical conclusion from the percentages given in the minister's statement this morning is that from the point of view of the armed services it is wise to continue the existence of the service colleges as separate institutions where the fall-out rate is much lower than it is in civilian universities. Is that it?

Mr. CARDIN: Yes. Although the whole matter is under review, I think it is felt that the result we get from the service colleges warrants the continuance of the colleges as separate units. Within the colleges there is an atmosphere of companionship you would not find in the universities which we feel is very good for the forces.

Mr. SMITH: With regard to the shortage of university accommodation all over Canada, is there a civilian use served by maintaining the service colleges?

Mr. CARDIN: Would you repeat that, please?

Mr. SMITH: Generally speaking we hear that university accommodation is at a premium and that we need more universities. Even having regard to the people who do not make military services their careers after finishing the service college, do we get a general civilian benefit from the military colleges?

Mr. CARDIN: Oh, yes; there is no question concerning the civilian benefit that is derived either from the service colleges, or the universities. I think another thing is that so far we would not have a sufficient output of officers from our service colleges if we did not have the university trained cadets.

Mr. SMITH: Has consideration been given to accepting nominations or applications for the service colleges at an earlier level before the person's academic qualifications finally are determined, which in the case of senior matriculation comes very late in the summer of the year in which he is going to start college. Perhaps there could be a conditional acceptance, and these people could be put in special category units for the one or two summers before they finish their secondary schooling. This would give the services an opportunity to look at these boys, and would also give the boys an opportunity to look at the services.

Mr. ARMSTRONG: Mr. Smith, I do not think any consideration has been given so far to carrying it back that far. Consideration now is being given to means by which selections may be made before the final examination results come out. Secondly, of course, each service does have a cadet corps, and there is some reserve training for boys in high school. When those who participate in these activities display an interest in the service, this is taken into account in the selection process; but we have not gone back, as you suggest, to attempt to make a selection as far back as two years before they graduate.

Mr. SMITH: Now that some universities go further back than the immediate entrance examination, would it not be possible to take conditional applications when a boy has reached his sixteenth birthday?

Mr. ARMSTRONG: I suppose it is possible. I think it probably would be difficult. My own experience with youngsters of this age is that most of them are not ready to make up their mind with regard to what they would like to do, in any event, until they get very close to graduation. I would think it would be quite difficult to go back that far.

Mr. DEACHMAN: Mr. Chairman, the questions I have I think perhaps are best addressed to Mr. Armstrong. The R.O.T.P. program actually is a program for the education of officers to university level. I believe this is a fair description of what the R.O.T.P. is. I understand R.O.T.P. includes both the service colleges and the university programs.

Mr. ARMSTRONG: Yes.

Mr. DEACHMAN: And the education of men through university level followed by three years of service?

Mr. ARMSTRONG: That is correct.

Mr. DEACHMAN: When did this program begin, as compared to the old service college program?

Mr. ARMSTRONG: This program started in 1952.

Mr. DEACHMAN: What has been the experience with regard to the R.O.T.P. program in graduating officers since its inception and to date; that is to say, what is the total number of officers graduated by the R.O.T.P. system to date? Are those figures readily available?

Mr. ARMSTRONG: I think it is 2,400. I thought I mentioned it last time.

Commodore GROOS: We have them. Right up to date it is 2,396.

Mr. ARMSTRONG: Yes, right up to date it is 2,396.

Commodore GROOS: Of whom 1,196 came from Canservcol, and 1,200 from the universities.

Mr. DEACHMAN: You say 1,196 came from Cansercol?

Commodore GROOS: Yes, and 1,200 from the universities.

Mr. DEACHMAN: Can you break down the Canservcol figure for me into its components?

Mr. ARMSTRONG: Into which components?

Mr. DEACHMAN: That is, into the respective colleges; how many came out of the respective colleges such as R.M.C., C.M.R., and Royal Roads?

Mr. ARMSTRONG: We can get it totalled up for you.

Mr. DEACHMAN: Very well, and while the total is coming, may I pass to my next question. Of the 2,396 graduates, how many of those graduates would have spent their three years of service?

Commodore GROOS: Some of them are still performing their period of obligatory service. That number includes people who graduated just recently.

Mr. DEACHMAN: But in any event, of the 2,396, the first thing you get is the service of 2,396 students who are "educatable" in some degree during their whole term of service, and you also get their service as junior officers for three years following their graduation.

Mr. ARMSTRONG: Yes; they have an agreement to stay in for three years.

Mr. DEACHMAN: The thing which determines whether or not they will become career officers beyond that time is whether or not they sign up at the end of the three years.

Mr. ARMSTRONG: No, that is not quite correct. They do not sign up again. They are commissioned officers when they graduate. They may resign their commissions at the end of the three years. But if they stay on, there is no question of their signing up.

Mr. DEACHMAN: I see. What is the thing that determines whether or not you have a career officer? Does he go on reserve at the end of the three years, or does he go on as a permanent officer? This is the checkpoint which determines whether or not you have a man for a career, or whether he is going to go on reserve.

Mr. ARMSTRONG: I suppose it is in a sense. I suppose you would appreciate it in assuming that the boys who came in are going to be career officers. But I think it is quite obvious, with a group of boys coming in, it would perhaps be unreasonable to expect them at the age of 17 or 18 to say definitely that they are going to be career officers and stay until retirement age. So there is an option for them to get out if they so desire at the end of the three years.

Mr. DEACHMAN: Now, of the 2,396 who graduated, how many would remain in the service after having passed the seven check mark?

Mr. ARMSTRONG: Those percentages are the ones which were given by the minister. It is seventy three per cent of those who graduated from the service colleges. Of the 2,400 not all have reached that point; but of those who have, 73 per cent have stayed; and 54 per cent of the university people have stayed.

Mr. DEACHMAN: May we have expressed as a figure the actual number of officers who since the inception of the R.O.T.P. program have remained in the service after passing the seven year check point, or after passing the three year service point?

Mr. ARMSTRONG: Yes, certainly.

Mr. DEACHMAN: Might we have it as an actual figure?

Mr. ARMSTRONG: These figures are to August 31, 1963. The number who remained in service, having reached that three year point, was 361, that is, of those who graduated through the university side, and 425 of those who graduated through the Canservcol, making a total of 786.

Mr. DEACHMAN: You say there are 425?

Mr. ARMSTRONG: There are 425 from the service colleges. I would say that this figure should not be compared with the total production of 2,400 as the latter figure includes those who have not yet reached the three year point.

Mr. DEACHMAN: I take it that the 425 are from the service colleges. Is it possible for you to give me a breakdown of which service colleges they came from, that is, the number from each of the service colleges? Now we are looking only at the 425 from the services.

Commodore GROOS: They all graduated from R.M.C.

Mr. DEACHMAN: Can you tell me where they originated? Is it possible to give me that information?

Mr. ARMSTRONG: In answer to your earlier question the figures have now been totalled up, as to the graduates by colleges.

Mr. DEACHMAN: You had, 1,196 to begin with.

Mr. ARMSTRONG: Yes, that is right. We have got it pared down to a total of 1,196. At R.M.C., 362 graduated; of those who started out at Royal Roads, 371; of those who started out at C.M.R., 282, and that comes to a total of 1,015. We do not have the 1964 graduates analysed, but there are 181 of them, making a total of 1,196.

Mr. DEACHMAN: Coming down now to the 425 from the service colleges who have passed the three year point and remained in, are you able to identify what colleges they came from? Have you got figures available to identify where they originated?

Mr. ARMSTRONG: I think we could get that information. We do not have it now. It would take some research to produce those particular figures.

Mr. DEACHMAN: Going back to the percentages which you supplied, and the percentages which you know of those who graduated from the service colleges who remained in for another three years, can you make an educated guess looking at the 425 and apportion them among the three service colleges?

Mr. ARMSTRONG: If I had to make an educated guess, I think it probably would be in proportion to the figures I have given you as to graduates.

Mr. DEACHMAN: One would have to apportion the 425 on a pro rata basis among the 362, 371 and 282; is that right?

Mr. ARMSTRONG: I would say that is approximately correct.

Mr. DEACHMAN: The proportions would then be roughly 4, 4, and 3; is that right?

Commodore GROOS: I do not think that is correct, because the entry figures have changed over the years. R.M.C. only take in 63 recruits per year now while C.M.R. takes in 176 and Royal Roads takes in approximately 130. The entrance figures have changed over the years, Mr. Deachman, so I think I would be inclined to say they are not exactly in the same proportion across the board.

Mr. ARMSTRONG: I take it you are seeking a figure which would indicate whether there are more graduates from one college or proportionately more who stay than in respect of another, and I do not have that figure.

Mr. DEACHMAN: Let me refer again to the 425 figure in respect of service colleges who remain in over the three year period. What years are covered by this figure? Does the figure cover the system from its inception until three years ago, in view of the fact we cannot count the most recent three year period? The figure of 425 represents a period of time from 1952 to 1960; is that right?

Mr. ARMSTRONG: Those figures were taken as at August 31, 1963 and go back three years. They have reference to the graduating class of three years earlier.

Commodore GROOS: It has reference to 1960.

Mr. ARMSTRONG: Yes, they apply to the year 1960.

Mr. DEACHMAN: Up until that time you would then only have a graduating class of 1953?

Mr. ARMSTRONG: You would not have a graduating class.

The CHAIRMAN: Mr. Deachman, I think we are taking a great deal of time doing a lot of arithmetic. I wonder whether you could bring your questions to a head because there are other members who wish to ask questions?

Mr. DEACHMAN: The point I want to make is this. Over how many years were the 425 career officers produced?

Mr. ARMSTRONG: The first graduating class would be that of 1956, so you would have a period of from 1956 to 1960. Then of course C.M.R. had its first graduates in 1957.

Mr. DEACHMAN: We are then considering a four or five year period?

Commodore GROOS: The period is a little less than five years but a little more than four years.

Mr. DEACHMAN: Considering the entire service college system, we are producing approximately 100 career officers or about 108 per year; is that correct?

Mr. ARMSTRONG: That is correct if you take the figure on an average, but of course the figure is increasing each year. This year there were 181 graduates from R.M.C.

Mr. DEACHMAN: Yes.

Mr. ARMSTRONG: That is the highest number of officers graduating up to this time and it will stay at that level or, we hope, go slightly above it, perhaps to the order of 200. The number of graduates from universities in this respect has increased as well.

Commodore GROOS: The number of graduates from the university section is down a little this year, to approximately 150 or 140.

Mr. DEACHMAN: The final result of our consideration is that from the point of view of producing service career officers, the combined total of the three service college output, remaining in the service for a career, is approximately 100 per year; is that right?

Mr. ARMSTRONG: If one counts on experience one must assume we have 185 graduates from the service colleges of which this year 27 per cent will not stay. There will be approximately 49 graduates who will not remain, and perhaps we can consider this number in round figures as 50, leaving 135 who will stay. In respect of universities there are approximately 170 graduates with a little better than half of them staying, giving us a figure of 90. The total number then would be 225 at the end of three years, and that is a higher figure than the one you mentioned because the number of graduates is higher currently during the period covered by these figures.

Mr. DEACHMAN: I think these figures bear out the fact that the cost to produce a service officer is enormous, and I refer to an officer we know is going to stay in the service for a full term.

Mr. ARMSTRONG: I suppose that is true. It is expensive, but the cost of producing any university educated man is high and that is what we are doing here.

The CHAIRMAN: Are you approaching an end to your questions, Mr. Deachman?

Mr. DEACHMAN: I think I have reached the end of my questions, now, Mr. Chairman.

Mr. TEMPLE: Subject to conclusions later.

Mr. DEACHMAN: Subject to conclusions later.

Mr. MARTINEAU: I should like to ask the associate minister, in respect of the statement he made at the opening of our sitting this morning, why the new regulations will not apply to those candidates who will be offered cadetships in August at the conclusion of the current summer selection period. If this is a good measure, which I think it is, and it has been recommended by the Glassco commission, I cannot understand why these regulations are not to apply to those individuals. I can understand the regulations not applying to officers who have already started training but in respect of new candidates why would the regulations not apply?

Mr. CARDIN: Of course the individuals concerned who desire to take part in this program have been under the impression that it involves a compulsory three year service period. A certain amount of effort has already been done to line these people up for entrance in September. I think it would be unfair, having gone through all that work, these cadets being under the impression they would be required to serve a three year period, to automatically change the compulsory period at this stage to four years.

Mr. MARTINEAU: Those candidates have not been accepted as yet. Surely if they desire to enter this training course they should accept the conditions laid down.

Mr. CARDIN: Yes. I think you will realize that all our present literature in respect of this training course lays down the three year obligatory service period.

Mr. LAMBERT: Is it not a fact that, as in respect of the air force, a lot of preliminary screening has been done at Centralia during the Easter holidays?

Mr. CARDIN: That is correct.

Mr. LAMBERT: I believe the same situation applies in respect of the army, and preliminary screening is done during the Easter recess, is that right?

Mr. CARDIN: That is correct, and at that time the individuals understood the obligatory period to be three years. I do not think it would be fair at this late date to change that period to four years. The four year service period will apply to the next group of individuals.

Mr. MARTINEAU: I wanted the minister to give us some assurance that this special provision was not being used to accommodate special circumstances.

Mr. CARDIN: To what special circumstances do you refer?

Mr. MARTINEAU: I had in mind a situation in respect of which certain candidates would become cadets, whereas others would not become cadets.

Mr. CARDIN: There is certainly no thought of that kind being entertained at all. As I explained, we feel it only fair to start this program after the present cadets who already have been worked into this program have moved on, so that new candidates for this course would then understand that a four year period was involved.

Mr. LAMBERT: The new regulations would then come into effect four years from now?

Mr. CARDIN: That is correct.

Mr. LAMBERT: I was wondering whether either the minister or Mr. Armstrong could tell me if any of the graduates from the service colleges, or under the R.O.T.P. program, are involved in the recent release from the air force aircrew?

Mr. ARMSTRONG: I cannot answer that question specifically but I would venture to say definitely no. Perhaps I better check this answer out for you. I am satisfied that none of them would be involved.

Mr. LAMBERT: Thank you.

Mr. MATHESON: I am not sure to whom I should direct this question, the deputy minister or Commodore Groos but I should like to distinguish between R.O.T.P. personnel and junior matriculants entering university after the selection board has made a decision, which I understand sits in the summer, and on the other hand, C.O.T.C. officer cadets who have acquired a taste for army life during their practical phase summer training which covers three months, or more, at course schools and then are recommended to a selection board by their commanding officer at some stage in their training. I am wondering if it has been seriously brought to the attention of the department that there is a great advantage in the latter selection; that is to say, that R.O.T.P. cadets who have come from the second group rather than the junior matriculation group, that have been selected by a team in the summer, have proved to be superior and more usful to us as service officers. Has any representation been made to the department in this respect?

Mr. ARMSTRONG: Certainly we would recognize there is a considerable advantage in terms of eliminating, if I might put it that way, the wastage in the early years if we take the boys in at junior matriculation or even at senior matriculation level as against bringing in a man who has been in the C.O.T.C. who has perhaps completed his first year at university and then desires to join the R.O.T.P. I would not say in terms of the graduation that one is better than the other; I do not think we have any experience that would indicate this one way or the other. On the other hand, obviously there are problems associated with this in terms of the numbers of people who come in. I think we take probably in the order of 75 to 100 now who are in the university and do not come in initially in the selection process at the junior matriculation or senior matriculation level.

In order to operate the C.M.R.—that particular element of our Canada service colleges—we do have to take people in at junior matriculation level

at the present time. Perhaps some years from now it will be possible to have all the entrants come in at the university level; and that, from our point of view, would be desirable.

Mr. MATHESON: Then, Mr. Armstrong, if it were possible, you would be happy to see persons selected who have completed their first academic year, say, and perhaps theoretical and practical C.O.T.C. training?

Mr. ARMSTRONG: Yes, I think if one could get enough of these people we would be happy with that. The real problem here, I think, is that the program as it stands today offers an opportunity to a young lad who otherwise could not go to university perhaps for financial reasons. This gives him an opportunity. If he is interested in the armed forces he can come in and his way will be paid. Of course, in the other scheme the selection is limited to those who have reached the university in one way or another and then decided they would like to come in. There is no doubt that this would reduce the wastage considerably if one could obtain enough people. We do this, for example, with doctors. We take them in for the last three years of their course, and the academic wastage in that case is negligible. Almost all who come in graduate and serve their period in the forces.

Mr. MATHESON: Perhaps this has been touched on by some of the questions of Mr. Deachman; I am not sure. I have been listening to them carefully and I think it has not been raised. Have you any basis of comparison of the length of time that a man remains in the service coming from the matriculation group as against this other group coming in after having had some theoretical and practical training through C.O.T.C.? Have you any evidence that would support the proposition that the second group perhaps tends to stay in the service longer?

Mr. ARMSTRONG: We do not know. These people who come in become members of the regular officers training plan and our statistics at the moment, I am afraid, do not cover them in total. There is not a large number of them proportionately to the total. The only way in which one could do this would be to take the individuals, get the figures and analyse them.

Commodore GROOS: The R.O.T.P. scheme was introduced in the first place because we were not obtaining sufficient candidates from C.O.T.C., U.R.T.P. and U.N.T.D. Therefore it was decided to bring in R.O.T.P. as a fully subsidized scheme at the beginning. There was nothing against the other scheme but it simply did not produce sufficient people and it had to be supplanted.

Mr. MATHESON: I am impressed by Mr. Armstrong's suggestion that the first scheme for matriculants presents an opportunity to a young man, who might not otherwise get to university at all, to make a career of the services perhaps from somewhat less fortuitous circumstances than the second category. I had not thought of this.

May I ask another question which I think is related? Mr. Armstrong tells us that one of the reasons for which the matriculant group in the summer selection—which appears to me to be somewhat casual—is necessary is because we have insufficient people in the supply system of officers. Has any consideration been given to substantially increasing the $110 or $120 monthly allowance? I do understand there has been quite a number of people from the second category—that is, people on their way through university and in C.O.T.C.—who might be very pleased to go into this program and make a career of the service if they felt they could really finance it adequately, but the $110 or $120 is just a little thin. Have there been any representations along these lines?

Mr. ARMSTRONG: It is $138. On a year round basis it would provide a man attending university—a man who does not have family responsibilities and so on—with a reasonable amount to live on. It is not intended to be a luxurious

life. We had never thought of it as paying a substantial living, and I do not think the $138 is really a stumbling block. It is fairly attractive to a young man to have $138 and tuition and books and so on.

Commodore GROOS: Mr. Matheson has indicated that he thinks the summer selection is somewhat casual. When your committee visits R.M.C. next Tuesday there will be a selection board in full session down there, and I hope any members interested in selection procedures will be able to drop in and see how it is done. I hope the conclusion the members come to will be that the system is anything but casual.

Mr. LAMBERT: May I ask a supplementary question in relation to what Mr. Matheson was saying about substitutions?

Has any information reached the Department of National Defence of the extent of student loans under this new program and how this may affect this program? I think what one hand is giving here is going to be taken away by the other. These are contradictory and self-defeating programs.

Mr. ARMSTRONG: I have no particular information on this. Obviously, as everyone is aware, I think the opportunities in terms of scholarships and loans are continuously becoming better in this country so that young people who have the ability generally speaking can get to university one way or another. There should not be too many limitations on pure financial grounds.

Mr. LAMBERT: I will not ask you for your comments on the effect of the student loan funds.

Mr. ARMSTRONG: Thank you.

The CHAIRMAN: Have you a question Mr. McNulty.

Mr. MCNULTY: How many or what proportion of the young men entering R.O.T.P. have had secondary school cadet training and what number or proportion have had militia or reserve unit training? Would this information be on their file cards?

Mr. ARMSTRONG: It would be on their cards but we do not happen to have the statistics. We would have to search the individual files.

Mr. MCNULTY: I was wondering if this type of young man would tend to stay in the services longer than those who have had no military training?

Mr. ARMSTRONG: My guess is that there is every likelihood that that young man would have the motivation which would result in him staying.

Mr. LANGLOIS: Mr. Chairman, I have a short question in respect of this report that has been given out. The records show that 73 per cent of those who graduated from the Royal Military College at Kingston and 54 per cent of those graduated from civilian universities remained in the services after they had finished the three year period. There is a difference of 19 per cent, and I was wondering if there is any special reason why this is such a difference in percentage between those who graduate from the Royal Military College and those who graduate from the civilian universities. Why is it that the one who graduates from the civilian university has not the same interest to go on and continue as a regular officer?

Mr. CARDIN: I would think the atmosphere in the Canadian services colleges, which is largely military, and conducive to esprit de corps and comradeship, has an effect on the students. I think this is one reason why perhaps more cadets from the Canadian services colleges remain. In the university setting they are not in a military atmosphere to the same extent and they are tempted with all sorts of other opportunities. I think perhaps this is one of the main reasons.

Mr. LANGLOIS: Is the cost approximately the same in respect of the one student going through military college and the other going through university?

Mr. CARDIN: That is a difficult question to answer because there are so many factors coming into this. It is very difficult, as I say, to give a proper estimation, but it would appear that it does cost more to have the graduates come from the Canadian services colleges.

Mr. LANGLOIS: In view of the probable external factors contributing to the fact that 19 per cent do not continue their military career, have you stressed the possibility of trying to accommodate as many as possible in the future in military colleges instead of civilian universities. It is possible, that with a certain environment a student would fit better in the service but he may take more time to grasp his education in a civilian university than he would if he was in a military atmosphere.

Mr. CARDIN: That has been considered but, as I mentioned earlier, it is not possible to get a sufficient number of officers from the Canadian services colleges alone. To do this we would have to expand the services colleges to a tremendous degree, which would be very costly. This is not envisaged at this time and we still would not have enough output of officers.

Mr. LANGLOIS: Is it envisaged at the moment that you will expand some of these colleges in the future?

Mr. CARDIN: No decision has been taken in this regard.

Mr. LAMBERT: Is it not a fact that because of the greater diversity of educational facilities in the civilian universities you are exposed to potential careers through the universities which you are not exposed to in the services colleges. For instance, a man taking accountancy in a bachelor of commerce course at a civilian university perhaps is envisaging a business administration or chartered accountant's career, and he is going to do his time and get out, whereas the courses at the services colleges are designed really for career officers in the services.

Mr. CARDIN: That is correct, and I think this is what explains the difference between the output of the two R.O.T.P. systems.

Mr. LANGLOIS: But in the long run would you not end up with a saving? In this way you are paying for 19 per cent which we actually lose because they do not make a career out of it. Would it not be better in the long run and also effect a saving if we accommodated in the future as many of these students as possible in order to get them to stay in the service? After all, you have trained them and you would like to keep them.

Mr. CARDIN: Yes. As I mentioned before, this whole matter is very complicated from the accounting point of view but it is being looked at very, very carefully. So far it is not yet felt there would be any tremendous saving in doing this.

Another thing I should mention is that it is not a complete loss because they are forced to stay in service at least three years. They give at least three years of service and in this way we are getting back a bit of our expenses. And, if it is extended to four years they will then be required to give four years of service.

Mr. SMITH: Are those who leave the service at the end of their three year engagement required to stay in a supplementary reserve or are they given a completely free discharge at the end of the three year period?

Mr. ARMSTRONG: There is no obligation to go into a reserve.

Mr. SMITH: Are they subject to recall on any terms?

Mr. ARMSTRONG: No.

Mr. LAMBERT: Not even to a supplementary reserve?

Mr. ARMSTRONG: Some of them may be, but not necessarily.

Commodore GROOS: They go on the retired list.

Mr. LAMBERT: They do not go on the supplementary reserve list?

Commodore GROOS: No.

Mr. LAMBERT: Is there any reason why they should not go on the supplementary reserve list?

Commodore GROOS: I would not like to answer that question. Perhaps Commander Clarke would like to comment on this.

Mr. G. S. CLARKE (*Commander (Navy), Deputy Director, R.O.T.P.*): I think a reasonable portion do elect to go on the supplementary reserve list but there is no obligation. And, with the four year period, it merely would be another consideration that the young lads would have to weigh, it being somewhat restrictive on their liberties if they decided they wanted to leave.

Mr. LAMBERT: Toward the latter quarter of the statement given by Mr. Armstrong the other day reference was made to the administration of the services colleges. What are the plans for the future of the one that the navy is now responsible for, namely Royal Roads?

Mr. ARMSTRONG: It will remain as it is for some time to come. At some stage I would hope we would reach a point where all the colleges are administered under one organization; in other words, we would not have a separation in this respect. The assignment of one college to each of the services does work reasonably satisfactorily but there are differences in the way they are administered and I think in view of this it would be preferable if we had one responsible administration for all three colleges. I hope we achieve this sometime in the future.

Mr. LAMBERT: Do you not feel, Mr. Armstrong, that this should be done as of now rather than wait for the "D" day of integration because, as we know, there are differences in administration? I have pointed out in some speeches in other places, where the paper was a little thicker and heavier in one service as against another, that this is one of the areas in which there could be a uniform administration.

Mr. ARMSTRONG: You are probably right. It should be done as of now, but we have a great many things to do, and we will do it as soon as we possibly can. I can say that without any doubt.

Mr. MATHESON: Is it beyond the realm of possibility that as you look at this problem proposed by Mr. Lambert you might give consideration to the wisdom of having the Department of National Defence operate a college within a university, as was suggested in earlier statements at an earlier stage? I have in mind the operations at the present time of Queen's University in Kingston where great efficiencies have been effected in the last few years, partly as a result of the assistance of Dr. John Deutsch, and others who came in after the war when growth made a great deal of change necessary in the matter of supplies and adequate uses of resources. I would be completely opposed personally to seeing a university dominate a service college. On the other hand, it seems to me that there are many advantages that perhaps can result from the consideration of a service college operated by the Departmnt of National Defence working with or in or as part of a larger university complex.

There is another consideration also which is very important. I am mindful of the fact that a few years ago the Royal Military College was having a difficult time holding some of the very skilled and talented teachers, lecturers and professors we had because frankly our R.M.C. scale of pay was not adequate, and we had in mind an upgrading of salaries that was instituted by the Univer-

sity of Toronto and very quickly followed by other larger universities throughout Ontario. Surely there is a certain virtue in having some relationship between our service college and a large institution so that even from the faculty side—the senate side if you like—there is a movement that is possible between good teachers, particularly as the Royal Military College is not teaching military science any longer but doing very fine work in economics, engineering, and other courses that are really part and parcel of a university as a whole. Is it asking too much that at least this be considered?

Mr. ARMSTRONG: There is nothing that impedes movement, as I am sure you know. In the university area today there is a great deal of movement because of the expansion, and so on, and the difficulty in getting enough qualified people as professors. I think we are fortunate in all of our service colleges and in the R.M.C. in having a very good teaching staff. This is not easy to maintain, I would certainly admit that, and university salaries have perhaps even more than any others increased quite substantially in recent years, and perhaps we tend to some degree to get behind drastically although I think we now have systems that enable us to keep pretty well up to the university level.

I would think it very difficult to run a military college and get the benefits of a military college within a civilian university complex. I think this would be very difficult to do. Maybe there are ways and means of developing relationships with civilian universities that could be helpful. As we mentioned at the last meeting, there will be a study based on the recommendations of the Glassco report on the ways and means of producing officers with university degrees for the services. We hope to bring into that study some civilians who are knowledgeable of the university field and of their methods of doing things, and I think in the course of that there may be many things studied regarding how best to achieve our objectives. However, I do not seriously see us under any circumstances ending up with anything but a separate military college.

The CHAIRMAN: Mr. Matheson, you were on a supplementary.

Mr. MATHESON: I have another supplementary.

The CHAIRMAN: We will go back to Mr. Lambert and we will pick up your question afterwards.

Mr. LAMBERT: I had finished, Mr. Chairman.

The CHAIRMAN: Mr. Temple is next.

Mr. TEMPLE: I notice that you have 3,451 applicants for the summer of 1963 for R.O.T.P. What percentage of those who apply would have had a father who now is or has been an officer in one of the services?

Commodore GROOS: I think that would be impossible to answer. It would take a hand search of the files. I would not like to even hazard a guess. It is not only the sons of officers who apply, but also the sons of enlisted men; they succeed too.

Mr. TEMPLE: Yes, but I am interested in knowing whether there is any check kept concerning that.

Commodore GROOS: I am afraid not.

Mr. TEMPLE: Do you feel that when an applicant's father was or is an officer that the applicant would be more likely to remain in the service after the three years, or now four years?

Commodore GROOS: I think that would be impossible to answer. We have had some odd experiences along that line. Before the session began this morning, I was describing one to the associate minister.

Mr. TEMPLE: In so far as applicants are concerned, I can be assured that whether or not his father had a commissioned rank means nothing at all in respect of his being accepted?

Commodore GROOS: On the contrary, I would say we have had many sons of officers who were turned down, or who, if accepted, did not pass, whereas we have had many sons of sergeants who have been accepted and who have passed. They get there on their merit, and that is all.

Mr. MARTINEAU: I would like to know whether the R.O.T.P. program has been reviewed in the light of the integration plans, and especially the announcement that many serving officers will be discharged from the service. How will that affect the future requirements for new officers?

Mr. ARMSTRONG: It has not been determined yet how it will affect them. Again I mentioned the study that we expect to make in respect of the best means of producing officers. There is a first study preceding that in respect of how many university graduates we should aim at in terms of the requirements for the services. That study is to some degree conditioned on knowing a little more than we do at this moment with regard to the results of integration.

Mr. MARTINEAU: Is there not something slightly incongruous in the fact that while the Department of National Defence is letting people go who already are qualified officers, you should be expanding the training facilities for new officers; should there not be some kind of a tie-in there between one and the other?

Mr. ARMSTRONG: We are not expanding training facilities right now.

Mr. MARTINEAU: The statement of the minister would indicate that you are expanding it in a way, because you will be keeping the officers for one year longer.

Mr. ARMSTRONG: I do not think this is incongruous in the sense there are some officers in particular who will become surplus. For example, as was mentioned in this committee, the group which is being released from the air force, essentially, is made up of surplus aircrew officers. At the same time we must provide, as I am sure you will appreciate, for the continuing inflow of people who will be required as the years go by to officer the military forces.

Mr. MARTINEAU: That is why I wanted to know if some revision of the program has been made?

Mr. ARMSTRONG: Not yet. And I would also point out that the numbers coming in, even as they stand today, and as you can see from the figures we have given, are really short of the needs as they have been established in the past.

Mr. MARTINEAU: Is such a revision planned?

Mr. ARMSTRONG: Well, a study is planned, and depending on the outcome of that study a revision may or may not be necessary; but it would be based on it.

Mr. MARTINEAU: That is all.

The CHAIRMAN: Now, Mr. Matheson.

Mr. MATHESON: I have no questions.

The CHAIRMAN: Very well, now, Mr. Langlois.

Mr. LANGLOIS: I have a complementary question relating to future personnel and that of having highly qualified teachers which is necessary, and which is becoming more and more difficult not only at military colleges but everywhere. I would like to refer to a plan which has been set up. I do not think it is out of order, but if it is, you will please tell me. I have in mind a plan that has been conceived. I do not know how far it has got so far in the NATO association, but the plan is to have some sort of super university, if

you wish to call it that, or an arrangement between the universities of different countries belonging to the NATO alliance. It started in 1959, and there was very strong determination to get through with it when I was there in 1962. Have you heard about anything of that sort, and not only an exchange of professors but also an exchange of military groups?

Mr. ARMSTRONG: Yes, I have heard of it, but I am afraid I am not up to date on it.

Commodore GROOS: Canada has not actually participated actively in these discussions. Other NATO countries have done so, but their problems are different from ours. We think we have the answer in hand in our own country.

Mr. LANGLOIS: Could you say if you think this is helpful, if it could ever be put on a practical basis of some sort, to students, as well as to the country itself?

Commodore GROOS: Under certain circumstances, yes; but we are up against time. We must produce officers as quickly as we can. It might take four to five years now. Someone has suggested seven years. The time does not exist in which to send a man abroad unless it is for some very special purpose.

Mr. LANGLOIS: There is a point which was discussed at that meeting, that it would probably be difficult to start off with a fairly large basis at the beginning. I wondered if you were taking into consideration or if you had considered sending a few people every year at least so that they would have that training or an opportunity to take special training? Would the men who would take such training be of use to us as career officers?

Commodore GROOS: We do have some selected officers who take post graduate courses abroad, in the United States and in Britain. It might possibly be extended to some other NATO countries in the future.

Mr. LANGLOIS: It is not under the NATO plan then?

Commodore GROOS: No, not as far as we are concerned, no.

The CHAIRMAN: Now, Mr. McNulty.

Mr. MCNULTY: I would like to ask Commodore Groos to what extent we publicize R.O.T.P. in the secondary schools? What is your selling program? How do you go about getting into the secondary schools?

Commodore GROOS: We have school relation officers who visit every high school of any size at least once a year. They show a film on life in the Canadian service colleges, they hand out brochures, and they talk with the students about being career officers. Strictly speaking they are not recruiting officers. They explain what we have to offer to high school graduates who are above average. In the province of Quebec I believe something like 1,200 students per year attain the qualifications we need for our service colleges, while close to 500 to 600 apply. This indicates the measure of success we have in this program.

Mr. GRANGER: Do the number of applicants for entry into the service colleges exceed the capacity?

Mr. ARMSTRONG: The number of applicants of course does exceed the capacity, but when the selective process has been completed, I do not think it does. In fact we probably divert a few of the applicants who have designated preference for a civilian university to a service college. But the number selected in the final analysis is always enough to fill them. However we do not have a surplus of applicants who are suitable.

Mr. MARTINEAU: Are all qualified applicants assured of being admitted?

Mr. ARMSTRONG: At the present time that would appear to be the case, yes.

Mr. FANE: I should like to ask another supplementary question, Mr. Chairman. Does the selection board select a sufficient number of applicants, from those who offer themselves, to provide the total number required by the colleges and, should there not be a sufficient number of qualified applicants selected, does the board go back over the names of those turned down to bring the number up to the requirement?

Commodore GROOS: We certainly do make sure that every individual who can be accepted or who is acceptable is put on the final list and then we allocate cadetships to the best people. If a candidate is not suitable we cannot do anything about that. That individual is unsuitable and that is the end of the situation.

Mr. FANE: What I am trying to suggest is that you do not operate a college at anything less than full capacity?

Commodore GROOS: We try very hard to keep all the colleges at optimum capacity. We also try to ensure that the provincial quota to the Canadian service colleges is met each year. In a few instances we have been unlucky and not able to fill the quotas for some provinces in some years but by and large we are able to fill our provincial quotas. That is the first thing we attempt to do and, having done that, we then accept candidates on their merit.

Mr. FANE: Do you receive applications from a greater number of individuals than you require to operate your colleges at optimum capacity?

Commodore GROOS: Yes, but they are not all suitable applicants.

Mr. FANE: I realize that that is the case.

Mr. DEACHMAN: Mr. Armstrong, I have calculated some percentages as a result of the figures you gave me this morning and I should like to check them for accuracy. Of the 100 officers in the armed forces 70 do not have a university degree; is that right?

Mr. ARMSTRONG: That is right.

Mr. DEACHMAN: Thirty officers have university degrees and of those 30, 15 will come from universities and 15 from Canadian service colleges; is that right?

Mr. ARMSTRONG: I can see the logic of what you say. The inflow in a sense from R.O.T.P. is approximately 50-50. That is to say, there are 50 from universities and 50 from the Canadian service colleges.

Mr. DEACHMAN: Of the 2,396 officers graduating from R.O.T.P. since its inception, 1,196 come from the Canadian service colleges and 1,200 from universities; is that right?

Mr. ARMSTRONG: That is right.

Commodore GROOS: Excuse me, Mr. Deachman, but those officers are not all still in the services.

Mr. DEACHMAN: They are not all still in the services and I will refer to that situation in a moment. Of 100 officers in the armed forces, 15 at any given moment will have come from the Canadian service colleges and 15 from universities; is that correct?

Commodore GROOS: I do not think that is a logical assumption.

Mr. ARMSTRONG: I think it is correct in the sense that of the graduates from the regular officers training plan 50 per cent come from universities and 50 per cent from the Canadian service colleges. When this fact is tied to the fact there are 30 per cent university graduates in the officer corps you cannot really put them together at one time because the vast majority of those people do not come from the regular officer training plan.

Commodore GROOS: The wastages apply differently later on.

Mr. DEACHMAN: Of the 30 university graduates who are officers in the armed forces, 15 have come from Canadian service colleges; is that right?

Mr. ARMSTRONG: I do not think that is necessarily the fact. I think all one can state at the moment is that based on experience since 1952, 50 per cent come from universities and 50 per cent come from Canadian service colleges.

Commodore GROOS: I think 1956 is a better year for comparison.

Mr. DEACHMAN: Dividing that 15 to 15 ratio further we find that 11 of the 15 would remain after the three year period. I make this calculation on the basis of your 73 per cent figure in respect of Canadian service college graduates. Out of the 100 officers in the armed forces 11 are Canadian service colleges career men, so the Canadian service colleges produce 11 per cent of the career officers in the armed forces; is that right?

Mr. ARMSTRONG: I am afraid you lost me on your last calculation. I do not think you can really come to that conclusion.

Mr. DEACHMAN: We must be able to arrive at this. If only 30 per cent of the people in the armed forces have university degrees—

Mr. ARMSTRONG: You are missing the link here, Mr. Deachman. We happen to have 30 per cent at the moment with university degrees.

Mr. DEACHMAN: And this is taking it on about a five or ten year output?

Mr. ARMSTRONG: That 30 per cent has nothing to do essentially with the output of the service colleges since 1956. The majority of these people are people who came into the services when they expanded during the war, people who stayed in the service after the war, or people who came in the service during that expansion period starting in 1950, the time of Korea. They did not come in through the regular officers training plan, so you cannot link these two things together.

Mr. DEACHMAN: I have taken only output figures on the basis of what your output is today, not looking at it historically. The figures you have given to us today are that promotions from the ranks are 1,070 during the past five years, and that 29.6 per cent, or roughly 30 per cent of the officers in the armed forces have university degrees. I am suggesting that the current rate, not looking at it historically, is that of 100 officers produced in the armed forces today, 70 will not have university degrees and 30 will have university degrees.

Mr. ARMSTRONG: I am suggesting that you are misinterpreting this.

Mr. DEACHMAN: Is that the rate?

Mr. ARMSTRONG: No. You are misinterpreting it. I cannot give you the figure, but I think we can probably work it out. What you end up with here is an inflow of a certain number of people out of the service colleges and universities. Over a period of years, assuming an officer's career is 30 years, if you look long enough into the future, then you will have a certain number of people in the total officer corps who have degrees, either from the service college or university, or from R.O.T.P. What that number is, I do not know offhand, but I do not think you can relate it to the existing 30 per cent.

Commodore GROOS: The 70 per cent includes temporary commissioned officers, too, Mr. Deachman.

Mr. DEACHMAN: Yes, I know that, but what I am attempting to find out here is what are the current rates at which officers are produced in the army, and to reduce these to percentages. I take it that the rate at which officers are produced is 70 per cent with no university education, and 30 per cent with university education. Is this so as a current rate excluding all those who may be in from a number of years back, and so on?

Mr. ARMSTRONG: What you want is the total number of officers we are recruiting from year to year, and what percentage of these have university education?

Mr. DEACHMAN: Year to year, let us say, over the past five to ten years, of those on whom you are putting a pip. What is the division between those that have a university education and those who do not have a university education?

Mr. ARMSTRONG: Well, this I can get you. I do not have it in my head and, I doubt, whether anyone else has.

Commodore GROOS: It would be about 1,200 officers a year who actually get commissions. But, a good many of these commissions are short service. At least 800 are. Some of these get transferred into permanent commissions and although I do not know the exact figure, I think about 390 or so have degrees and get commissions, which are normally permanent ones.

Mr. ARMSTRONG: Then, that would be about 25 per cent.

Mr. DEACHMAN: Twenty-five per cent what?

Mr. ARMSTRONG: If the figure of 1,200 is correct there would be about 25 per cent of those who came in with university degrees through the R.O.T.P. plan.

Mr. DEACHMAN: Through the R.O.T.P. plan?

Mr. ARMSTRONG: Yes, or a little better.

Commodore GROOS: The others include so many temporary commissioned people.

Mr. DEACHMAN: But, the universities are producing temporary people. They are there three years. And, you are producing them from other sources. So, the rate at which you are producing them and the rate which officers come into the service is, I suggest, very close to the figures you gave me, 70 per cent with no university education and 30 per cent with university education.

Mr. ARMSTRONG: Yes. I think this is quite close.

Mr. WINCH: What are you trying to prove, Mr. Deachman?

Mr. DEACHMAN: Of the 30 per cent these streams are made up of about one half graduates from the universities and one half graduates from Canservcol.

Mr. ARMSTRONG: Yes.

Mr. DEACHMAN: So, there are 15 graduates from Canservcol of the original 100 and those who pass the third year check point and become career officers number 11. So, the value of Canservcol in producing career officers for the armed forces is 11 out of 100 career officers.

Mr. ARMSTRONG: It depends on the standard of measurement you are using.

Mr. SMITH: Mr. Chairman, it is almost 1 o'clock and I would not like anyone to leave with the impression that we are supporting Mr. Deachman's conclusions in this respect.

Mr. DEACHMAN: I am going only on the figures we have been given this morning.

Mr. SMITH: If we had sufficient time I am sure this could be explained away.

Mr. DEACHMAN: If this is not so I would like to see it worked out and demonstrated.

Mr. ARMSTRONG: If I could say a word on this, we are producing officers for particular purposes. We produce a large number of officers who come in as short service commissioned aircrew; these officers may stay on 5, 10 or perhaps 15 years and, eventually, a percentage of them, perhaps 10 or 15 per cent, would become permanent commissioned officers. But, we are not seeking university educated men for these particular jobs; we do not think we need them. If we assume your statistics are right, the 11 mentioned are 11 people with special qualifications who you would hope, in due course, would become senior officers in the military forces. You cannot compare these things on the basis of 11 to 100. To my mind it is not a comparable situation. There are different things you have to take into consideration.

Mr. DEACHMAN: I do not think we really have dug deep enough in respect of the efficiency of the Canadian services colleges and I am satisfied that with the evidence that has been brought forth this morning we are not fully aware of the picture and, as a result, are unable to comprehend and relate this efficiency to the armed forces.

The CHAIRMAN: Perhaps in order to clear up this point it might be possible for Mr. Armstrong to prepare some figures showing what the rates are in respect of these officers which could be appended to the proceedings of a later meeting. In this way the figures which have been tossed around this morning could be verified or refuted.

Mr. ARMSTRONG: Yes, we could prepare figures of this kind.

The CHAIRMAN: It is now 1 o'clock, gentlemen.

The committee stands adjourned until next Tuesday.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, JULY 14, 1964

RESERVE FORCES

WITNESS:

The Honourable Lucien Cardin, Associate Minister of National Defence.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21025—1

SPECIAL COMMITTEE
ON
DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

ORDER OF REFERENCE

THURSDAY, July 2, 1964.

Ordered,—That the name of Mr. Asselin (*Notre-Dame-de-Grâce*) be substituted for that of Mr. Granger on the Special Committee on Defence.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House.

21025—1½

MINUTES OF PROCEEDINGS

TUESDAY, July 14, 1964.
(16)

The Special Committee on Defence met at 11.05 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Asselin (*Notre-Dame-de-Grâce*), Brewin, Deachman, Fane, Hahn, Lambert, Laniel, Lloyd, MacLean, MacRae, Martineau, Matheson, McNulty, Pilon Smith, Temple, Winch (18).

In attendance: The Honourable Lucien Cardin, Associate Minister of National Defence.

The Chairman, with the permission of the Committee, placed on the record a summary of two inspection visits made by the Committee during the past week. That summary follows:

On Tuesday, July 7, 1964, members of the Special Committee on Defence assembled at the Parliament Buildings at 8:00 a.m. where they boarded a bus to travel to the Royal Military College at Kingston, Ontario.

Members present: Messrs. Lessard (*Lac-Saint-Jean*), MacLean, Béchard, Deachman, Fane, Hahn, Lambert, Laniel, MacRae, Matheson, McNulty, Pilon, Smith, Temple and Winch (14).

In attendance: Commodore H. V. W. Groos, Director, Regular Officer Training Plan; Commander G. S. Clark, R.C.N., and Mr. C. L. Laurin.

Arriving at Kingston, Ontario, Committee members were welcomed by Air Commodore L. G. Birchall, Commandant of the Royal Military College and senior members of his staff.

The Commandant briefed the Committee on the work of R.M.C., following which the Vice-Commandant, Col. W. R. Sawyer, and Dr. G. F. G. Stanley, Head of the History Department, as well as Commodore Groos, answered questions.

Col. G. F. Stevenson, Chairman of Army Central Command Interview Board, described ROTP selection procedures, and the operation of the board.

Committee members were given an opportunity to speak informally with candidates who were appearing before the selection boards.

After lunch, the Committee was divided into four groups for an inspection tour of the living accommodation and the engineering laboratories, as well as the computing centre.

On motion of Mr. MacRae, seconded by Mr. Laniel,

Resolved,—That the Committee visit Camp Gagetown, N.B., on Thursday, July 9, 1964.

Following a question and answer period, the Committee members boarded a military bus for the return trip to Ottawa, arriving at the Parliament Buildings at approximately 7:00 p.m.

Members of the Special Committee on Defence assembled at the Parliament Buildings at 7:45 a.m. on Thursday, July 9 with the Chairman, Mr. Hahn, leading the group.

The group, composed of Messrs. Béchard, Deachman, Fane, Hahn, Laniel, Lessard (*Lac-Saint-Jean*), MacLean, MacRae, McNulty, Pilon, Temple and Winch, and accompanied by Brigadier G. A. Turcot, C.D., Director General of Military Training and Major G. S. Foggo, C.D., Office of the Chief of General Staff, travelled by military bus and aircraft to Fredericton, N.B., where it was met by Major General R. Rowley, General Officer Commanding, Field Force, Camp Gagetown, and Colonel C. D. Simpson, Camp Commandant, Camp Gagetown.

The party proceeded by car to Camp Gagetown where they were briefed by Colonel Simpson and related the camp to the surrounding area and to the Maritime Provinces. He also outlined the strength of the camp and explained the amenities provided. The Committee then toured the camp area and proceeded to the exercise area where they were briefed by General Rowley and Lt. Col. John Clarkson, who outlined the aims of concentration and major exercises. The party visited the 3rd Canadian Infantry Brigade Group (CIBG) in the training area.

Brigadier Norman Wilson Smith briefed the members respecting 3 CIBG and explained an exercise designed for platoon commander leadership. Lt. Col. Gordon Sellars, Commanding Officer of 1 R.H.G. (Black Watch) enlarged on various exercises.

The group returned by bus to Major General Rowley's headquarters where he outlined the work of Army Tactics and Organization Board (ATOB), which is located at Petawawa, Ontario.

At 7:00 p.m. the Committee emplaned for the return to Ottawa.

Mr. Cardin was called and he made a statement respecting the Canadian Army Militia and the Report thereon by the Suttie Commission.

Following the Associate Minister's statement, copies of Part I of the Suttie Commission Report were distributed to members of the Committee.

The Associate Minister was questioned on the contents of his statement and on related matters.

At 12.30 p.m. the Committee adjourned until 11.00 a.m. Thursday, July 16, 1964.

E. W. Innes,
Clerk of the Committee.

EVIDENCE

TUESDAY, July 14, 1964.

The CHAIRMAN: Gentlemen, we have a quorum.

Before we start with the business of today's meeting, this is the first meeting of the committee at which we will have a printed record since our visits to the Royal Military College at Kingston and Camp Gagetown in New Brunswick. I have here summaries of these two visits which I would like to have incorporated in the record, with the concurrence of the committee. I will dispense with reading them, but if the committee would like them read, I will read them.

Mr. SMITH: Do they not draw any conclusions?

The CHAIRMAN: No, they are merely a record of the trip.

Agreed. (*see Minutes of Proceedings*)

We are starting today our study of the reserve forces. Our witness is the Associate Minister of National Defence. Mr. Cardin will make a statement, and following his statement we will then be distributing the Suttie Report.

Hon. LUCIEN CARDIN (*Associate Minister of National Defence*): Mr. Chairman and gentlemen, I have a statement to make.

Mr. LAMBERT: Mr. Chairman, on a point of order; is the minister's statement of any length at all?

Mr. CARDIN: Yes.

Mr. LAMBERT: Could we have copies?

Mr. CARDIN: I was just about to explain that, Mr. Lambert. I want to apologize to the committee for not having had copies to go around. Actually I will be reading from a very rough draft of the statement, but I am afraid this is unavoidable. I shall try to read as clearly and as slowly as I can in order that the members may not miss any of this important statement.

Mr. Chairman, members of the committee will recall that when the estimates of the Department of National Defence were up for discussion on December 5 of last year in the house, a statement was made with regard to the future role of the militia. It was pointed out at that time that a review had been made of the requirements for the reserve forces and that the conclusion had been reached that they could be reduced in strength from the present levels. It was decided that the militia should be reorganized in recognition of the changing military circumstances which put emphasis on forces in being rather than mobilization capabilities. It was also stated at that time that a select group of militia officers from across Canada would be appointed to examine this problem and to make recommendations as to the way in which this reorganization should be brought about.

We were very fortunate in obtaining the consent of Brigadier E. R. Suttie to act as chairman of the commission and in January of this year he, together with other members were appointed and the commission met for the first time in early February. I should like to take this opportunity, on behalf of my colleague and myself, to express publicly our keen appreciation of the outstanding work and dedication not only of the Chairman, Brigadier Suttie, but also of the members of the commission consisting of Brigadier J. P. Carriere, Briga-

dier D. G. Cunningham, Brigadier E. G. Eakins, Brigadier F. T. Jenner, Brigadier I. S. Johnston, Brigadier V. de B. Oland, Brigadier P. Triquet and Lt. Colonel B. J. Legge.

It might be of interest to members of the committee to outline briefly at this stage the history of the militia and its present role in national survival operations.

By definition the militia "shall consist of officers and men who have, by virtue of their terms of service, undertaken to perform, when not on active service, such duty and training as may be required of them by or under the authority of the chief of the general staff".

Militia forces based on the principle of universal service existed in Canada from the time of the French regime. As early as 1627 all male colonists in Port Royal were required by law to assist the garrison when necessary, and from 1636 all males in Quebec were enrolled as militia. The first actual Canadian militia regulations were contained in a letter from King Louis XIV in 1669 to his governor in New France. These provided for a captain in each parish to be responsible for enrolling, organizing and training his command, who were also called upon for corvee or statute labour. The captains thus occupied an important position in both civil and military government, and were, in effect, local administrators.

The French system existed for many years but there was no continuity of units. It is of interest that no unit in the modern Canadian army has an officially recognized date of organization earlier than 1855. Every British colony in America had its compulsory system of militia service. In 1758 Nova Scotia passed its first militia law; in 1777 the first militia legislation was enacted under British authority in Quebec; one of the first things done by the new legislature in upper Canada in 1791 was to provide for a militia force. This force, later called the sedentary militia, existed only on paper—except for one day a year when there was a muster parade.

In the war of 1812 the militia of both upper and lower Canada fought alongside British regulars, but afterwards its activity was confined to the annual muster. Britain continued to maintain a costly garrison and the colonies were quite satisfied with their economical paper militia, which could be called out to meet such a sudden emergency as the rebellion of 1837. In 1855, however, when there was a significant reduction of British regular troops, Canada passed a new militia act which provided for the retention and improvement of the sedentary militia and also for the creation of a force of "volunteers" termed the "active militia". This was the predecessor of today's Canadian army (militia), and a turning point in the history of Canadian military organization. In spite of measures for improvement, the act marked the decline of the old principle of universal service, and the sedentary militia was never again called upon in a crisis. Shortly after confederation all British troops were withdrawn from the interior of Canada. In 1885, during the north west uprising a force of volunteers with some regular troops (for the first time entirely Canadian except for the commander and a few staff officers) fought in the campaign.

At the end of the nineteenth century Canada sent troops overseas to take part in the South African war. Contrary to a British suggestion, Canada offered an infantry battalion under the command of a Canadian officer. It was the beginning of an idea which was to persist in Canada, a preference for placing Canadian troops under Canadian command. Important as it was, the South African enterprise was small compared with the part played by the Canadian army in the first world war.

In August 1914 the non-permanent active militia was at the greatest strength which it had ever attained in peacetime, and these militia regiments provided the volunteers for the Canadian expeditionary force units raised in their areas. The majority of the officers had held commissions in the non-

permanent active militia. The first Canadian contingent actually had representation from more than 200 militia units. Canada emerged from the 1914-18 war with a much higher status internationally, due largely to the importance of her contribution in the field.

Between the wars economy was the first consideration, but a nucleus of both regular and militia units was maintained. In 1936 important changes were made in organization. The number of cavalry and infantry units was reduced and other arms and the services increased. At this time armoured units made their first appearance, but the second world war had begun before an armoured corps was authorized. This time Canada did not follow the 1914 pattern. Regiments or battalions of existing militia units were mobilized, retaining their familiar names and badges, and it was upon this foundation that Canada built its great second world war structure, when some 750,000 Canadian men and women served in the army.

After 1945 the Canadian government did not repeat the drastic reduction in the forces which had taken place in 1919. Battalions of two militia regiments, with over a hundred years of distinguished history, The Queen's Own Rifles of Canada and the Black Watch (Royal Highland Regiment) of Canada, were brought into the regular army, as were two armoured regiments, The 8th Canadian Hussars (Princess Louises's) and The Fort Garry Horse. In 1955 another reorganization was carried out to make the role of the militia more effective. The designation "reserve force" was changed to "Canadian army (militia)".

The militia, with a great tradition of more than three centuries behind it, has continued the British connection by means of alliances with famous British regiments. Approval for the first of these was given in 1906 and today there are 12 corps alliances and approximately 96 individual armoured, artillery and infantry units allied with British counterparts.

Even a brief history of the Canadian militia is not complete without some reference to the eminent men who began distinguished military or political careers by serving in the militia. General W. D. Otter was the first Canadian to become chief of the general staff. General Sir Arthur W. Currie, the famous corps commander in the first world war, and later chief of the general staff, began his career in the militia. In 1914 the minister of militia and defence, Colonel the Hon. Samuel Hughes who later became an honorary lieutenant-general (British army) served in the militia from the age of 16. It is not too well known that General A. G. L. McNaughton, was commissioned as an artillery officer in the militia in 1910. He later became chief of the general staff, GOC-in-C first Canadian army in the second world war, and Minister of National Defence.

The purpose of this very brief historical summary is to show that the history of the militia is in fact the history of Canada. The militia has always served Canada in time of conflict with great distinction and has earned the gratitude and respect of the Canadian people and of our allies. I am fully confident that the militia will continue to make a viable contribution to the defence effort and add lustre to Canadian arms of the future.

In time of peace the militia has a responsibility for coming in aid to the civil power and has on many occasions provided assistance required at floods, forest fires, search for lost persons and the like. It has provided individual volunteers for certain United Nations commitments (Korea—Kashmir). In 1961-62 it was charged with a very large commitment when, with the aid of the regular army instructional staff, it trained approximately 70,000 individuals for rescue under the special militia training program. Its primary peacetime responsibility, however, is to prepare for the roles to be carried out in time of emergency.

The militia's present roles are:

a. Survival operations. The primary role of the militia is to carry out its commitments in national survival operations if Canada comes under thermo-nuclear attack.

b. Support of the field force. The militia will provide the back-up forces for the field force.

c. Internment and security of key points. In the event of war the militia will be responsible for assistance in the protection of key points, internment operations and in guarding prisoners of war.

These are the present roles of the militia.

Organization

At the end of world war II the militia comprised some thirty-odd division and brigade headquarters and a corresponding number of units of all corps. To better suit the militia to local conditions of population and geography a new organization was introduced in 1954 as a result of a study made by a board of officers consisting of Major Generals Kennedy, Renaud and Letson (Kennedy report). Under the new organization the former division and brigade headquarters were replaced by militia group headquarters of which there are now 27. These militia group headquarters were designed to provide coordination and control of the training and administration of a number of militia units. The grouping of units by corps and type under each militia group headquarters had no tactical significance but was designed to bring together as many units located in the same general area as could be effectively supervised by one headquarters.

At the same time (1954) the number, corps and type of units retained in the militia were modified to suit conditions of population, geography, historical background, etc. Major field units remained on a field organization but other units were reorganized on a training unit basis, through use of a system of blocks. The number and type of blocks were varied to meet tradesman potential in different areas, i.e., more RCASC transport platoons are to be found in an industrial area. The militia now consists of:

a. 27 Militia Group Headquarters.
b. 26 Royal Canadian Armoured Corps Units.
c. 44 Royal Canadian Artillery Units.
d. 17 Royal Canadian Engineers Units.
e. 20 Royal Canadian Corps of Signals Units.
f. 60 Royal Canadian Infantry Corps Units.
g. 19 Royal Canadian Army Service Corps Units.
h. 26 Royal Canadian Army Medical Corps Units.
j. 11 Royal Canadian Dental Corps Units.
k. 13 Royal Canadian Ordnance Corps Units.
l. 23 Royal Canadian Electrical Mechanical Engineers Units.
m. 10 Canadian Provost Corps Units.
n. 6 Canadian Intelligence Corps Units.
o. 4 Royal Canadian Army Chaplain Corps Units.
p. 25 Miscellaneous Units { Manning Depots; Personnel Selection Units; Medical Advisory Units; Dental Advisor Units

for a total of 331 units.

A strength ceiling of 187,865 militia was authorized by order in council in 1947. A rider to the order in council restricts the ceiling to 90,000. The

present militia organization calls for an establishment strength of approximately 8,500 officers and 146,500 other ranks or a total of 155,000 all ranks. The effective strength of the militia at end of May 64 was:

Officers	6,554
Other ranks	37,142
	43,696
Non-effective	2,978

The majority of the militia is located in the larger centres of population. To provide for accommodation, administration and training there are approximately 396 armouries of which:

125 are constructed armouries
151 are converted armouries
120 are leased armouries

Much of this accommodation is inadequate and a programme of priority armoury construction is kept constantly under review. However, new construction is expensive and not easily obtained. It is worth noting that the best militia units are not always found in the best accommodation.

The terms of reference of the commission are included in the report being issued today. In order to understand the task undertaken, it would, I think, be appropriate for me to refer to these guide-lines. I have already outlined briefly the role and composition of the militia as it has been since 1959. The main emphasis has been training on national survival operations in preparation for the possible eventuality of Canada coming under a thermonuclear attack. This role was not greeted with particular enthusiasm by members of the militia, although—and I hasten to say this—the majority has buckled down to the task assigned and have made the utmost effort to achieve a high degree of efficiency in this assigned role. Essentially though, members of the militia consider that there is a more military and sensible task that they could perform. In the opinion of many Canadians, civil defence should not be primarily the responsibility of the militia since in the possible but improbable event of a nuclear attack on our country, civil authorities—federal, provincial and municipal—must play their part. The military can give guidance, direction and assistance, but it is neither logical nor sensible for military men—and the militia are military men—to undertake this responsibility alone.

Despite this emphasis on national survival, it has been pointed out that the present organization of the militia includes 26 regiments of the royal Canadian armoured corps, 29 field regiments and a number of batteries of various types of the royal Canadian artillery. This is but an example. So, on the one hand, we have an essentially national survival or civil defence role, while on the other, we have an establishment based on military field functions. We feel—and I think the Suttie commission would agree—that major changes are required not only in the roles assigned to the militia, but also within the organization itself.

From studies which have been made, two important factors emerge with regard to training for the national survival role. First, the flexibility inherent in a force trained for field operations was being lost. Survival training, when reviewed realistically is not complex and with a minimum of time a militiaman, basically well trained in military skills, can quickly be adapted to this role. Second, the training of the militia in field operations was gradually disintegrating because special to corps qualifications were no longer a requirement in survival training and because of the wastage of qualified officers and NCOs who had received special to corps training under earlier training programs. Thus, our experience has indicated a need to re-assess the roles and training programs with

a view to gaining the greatest flexibility and value for our defence dollar. This can be done by re-establishing corps training in a militia geared for field operations with sufficient survival training to ensure that the militia can undertake that important task when required.

A second important consideration—and I do not intend to underestimate its significance—is financial. The emphasis not only here but elsewhere, is on regular forces, highly trained and ready for instant action. Defence expenditures—kept within reasonable limits—must be concentrated on these forces. Therefore, funds available for the reserves, not only for the militia, but also for the navy and air force, are necessarily restricted. The figures that annually appear in the blue book on estimates as to the estimated costs of the reserve forces are only part of the actual cost to the department. Equipment, capital costs related to buildings, assistance by regular forces are all additional. In fact, a true costing of the militia and of the navy and air force reserves prior to the cutbacks announced last December are in the neighbourhood of $38 million for the militia, $6 million for the navy and $10.7 million for the air force reserves.

Our problem has been, therefore, to utilize to the maximum benefit of National Defence, the reserve forces with maximum flexibility in a realistic and sensible manner within the boundaries of probabilities and financial limitations. Ministerial committees were established with regard to the navy and air force reserves and these committees have reported their findings and recommendations. The reports are in the process of being translated and mimeographed and will, Mr. Chairman, be made available to this Committee.

In so far as the Suttie commission is concerned, a detailed study was made within the department prior to the establishment of the Commission as to the requirements for a militia force. The conclusion was as set out in the terms of reference to the effect that there was indeed an important requirement in four different but related areas.

First, and here I will read from the terms of reference, there is a military requirement for the militia in support of the regular army. The emergency defence plans call for the withdrawal of regular army personnel from the defence of Canada force and static installations to bring the field forces up to war establishments. The militia will be required to form the framework for logistic and special units which are not provided in peacetime. It is foreseen that approximately 9,000 militiamen would be needed for these two tasks within this role.

Second, there is a need to provide a training force which would be required in time of emergency to support the field force. In this role, the militia must provide for the immediate and effective mobilization of three training brigade groups to replace the regular brigade groups which may be despatched overseas and to provide the source of trained reinforcements for these forces overseas. In the initial stages, these training forces would be organized along the lines similar to the field force, but with only training scales of equipment. It will be built up in stages in accordance with the situation existing at the time and it must also be available for the defence of Canada and other tasks. Preliminary investigation reflects a requirement of approximately 18,000 officers and men.

Thirdly, for internal security, the militia will be required to provide trained officers and men for the guarding of vital points within Canada. It is estimated that there may be a requirement for at least 2,500 militiamen to be immediately available for these tasks in time of emergency.

And, finally, the militia has a role in assisting the army to fulfil its national survival responsibilities. There is a need for special militia units to be available and trained to augment the regular army to staff, on a 24-hour basis, various national survival installations. For this, it is estimated that a total of 1,500 officers, men and women of the militia will be needed.

Notwithstanding, it must be recognized that in the event of an all-out nuclear war all military forces would be employed on survival operations. Therefore, the militia with all available regulars would be required to provide a framework for the conduct of survival operations using large numbers of civilians.

The study concluded that these four tasks could be undertaken with a strength—not an establishment—of some 30,000 able-bodied men and women as compared to the present strength of the militia of 46,500. In the report of the commission it is made clear that its findings are within the terms of reference and I am grateful to Brigadier Suttie and his confreres for the views expressed on this subject in the covering letter to the report.

The Suttie commission held a series of meetings and received a number of briefs from interested organizations and individuals. Its report was submitted to me last month and illustrates, I think, the exhaustive study made by its members of the whole militia organization. The report is in two parts and I am today making part I available to the Committee. As members are aware, I did state, in answer to a question in the house, that I considered at one time the advisability of making both parts of the report publicly available at the same time. However, Part II of the report will not be made public at this time in order that a detailed study can be made by the Department of National Defence of the recommendations contained therein, decisions reached and units informed prior to publication. And this, I may add, is on the recommendation of the Suttie commission itself, in its second report.

The Minister of National Defence and myself agree with the commission in the opinion that premature publication of these recommendations would not be in the best interests of the public or the militia itself.

Members will realize that a report of this scope requires considerable study before we can come to definite decisions. I think it is advantageous that part I of the report should be referred to this committee now. In the course of its deliberations on the report, members will have an opportunity of hearing not only from Brigadier Suttie, who is at the moment in Britain on private business, and will be asked to come to Ottawa on his return, but also from the Conference of Defence Associations and other witnesses the Committee may choose to call. As I have said, they will also have the Ministerial Commission reports on the Navy and Air Force Reserves.

In due time, and I hope it will be this fall, we will be in a position to announce firm decisions on all three branches of the Armed Forces Reserves. We will have had the benefit of the views of the members of this Committee but the decisions must, of course, be the responsibility of the government. Our aim, as it is of this Committee, must be to maintain Reserve Forces that not only understand their roles, but are also meaningful in the times we live in.

Mr. SMITH: Mr. Chairman, a great deal has been made of establishing effective civilian control over the operation of the Department of National Defence. I know that it is not contended, nor could it be contended, that a committee such as this should be the instrument of such effective control, but it seems to me patent on the face of it that this committee is not going to be given part II of the report at any useful time in its deliberations, and that the government by this very act is denying effective civilian control. That this will be retained for the military staffs and only such portions as may be felt safe for the people to know will be given to the committee is, in my opinion, a complete denial of the principle of the effect of civilian control.

Mr. WINCH: How can we effectively do any work if we do not have the full report and know what is in mind?

Mr. CARDIN: May I first of all say, in reply to Mr. Smith, that when we speak of greater civilian control in national defence we are of course speaking of people within the Department of National Defence. As I am sure members of

the committee will realize—and this we have said on many occasions—we are very anxious to have the benefit of the thinking of the committee. As a matter of fact, we have brought before the committee a report on which we have not yet made any firm decisions. We are going to listen to the discussions that will take place in this committee and certainly we will consider these very carefully.

When we consider either the retention or the dismissal of units throughout the country where there is as yet no firm decision, I think the only possible result of making known the recommendation of part II would be to create a tremendous panic, and a useless panic, on the part of the people involved. I think members of the committee should recognize this point. If the report of the Suttie commission and the suggestions contained in it were to be made public when we start to study which units should stay and which units should not, that would be to the advantage neither of the militia nor the public.

Mr. SMITH: So part II of this report only contains the specifics of which units are recommended for disbandment? Is that all it contains?

Mr. CARDIN: I would say that in fact is the gist of the second part of the report. I believe it would be to no one's advantage that this should be made public at this stage when no decision has been made one way or the other.

Mr. SMITH: Would it be possible for the committee to have such portions of part II of the report as do not deal with specific units?

Mr. CARDIN: If there are any such important parts in the second report.

Mr. SMITH: If there are any parts that do not deal with specific units would it be possible for the committee to have them?

Mr. CARDIN: That might be considered but, as I say, the second part of the report deals definitely with the details of the specific units.

Mr. DEACHMAN: May I ask a supplementary question with regard to page (vi) of the introduction to the report. The last sentence of the last clear paragraph of that page deals with the definition of part II and says:

> Part II has been confined to the detail of the reorganization and recommendations with respect to the disposition of those units and sub-units viewed in the light of the criteria established in part I.

My question is twofold. Is this definition that deals with nothing except the specific recommendations with regard to the disposition of units and subunits precisely correct?

Mr. CARDIN: That is correct.

Mr. DEACHMAN: The second part of my question is this: Are the criteria for disposing of those units entirely contained in part I?

Mr. CARDIN: That is correct. The first part gives the principles on which the Suttie commission based itself in view of the terms of reference it was given, and the second part is what they feel is the logical conclusion of part I.

The CHAIRMAN: Mr. Temple.

Mr. TEMPLE: I am happy to see that consideration has been given to survival operations in case of nuclear attack. Has thought been given to the location of these militia units? When I speak of the location I am thinking of several things; I am thinking, firstly, of militia units that are now in existence being located near air transport bases so that they can be quickly moved around wherever they are needed for support. Has that been done? Do you know?

Mr. CARDIN: I would imagine that has been considered by the Suttie commission.

Mr. TEMPLE: I could not find anything in reference to that when I was looking over the report. Would that be a perfectly valid consideration, in your opinion?

Mr. CARDIN: I certainly think it should be considered.

Mr. TEMPLE: Has consideration been given to militia units—a great number of them or, let us say, the majority of them—being located outside the larger cities, since the larger cities might well be the first ones to be attacked, so that they would be able to move in?

Mr. CARDIN: I would like to make a point here. The Suttie commission has made a study of this matter on its own. They were given terms of reference and they were told to go out and make a study of this subject. This is what you, the members of the committee, are now being asked to study. The department has also had this subject under consideration and when I answer questions I am answering on behalf of the Department of National Defence.

Mr. TEMPLE: And it will be the department that will make the final decision?

Mr. CARDIN: Exactly.

Mr. TEMPLE: What concerns me—and I must say again that I have only glanced through this and obviously have not been able to study it carefully—is that it appears that the Suttie commission has not taken into account the geographical location of the various units, which I think is very important. However, I am glad to know that the department has considered this matter.

Mr. CARDIN: The department has this under consideration, and I cannot say whether the Suttie commission has or has not considered it.

The CHAIRMAN: Mr. Martineau.

Mr. MARTINEAU: Do I understand the minister correctly to say that so far no decision, despite the recommendations of part II of the report, which are being kept a dark secret, has been taken by the minister relating to the implementation of part II? Is that correct?

Mr. CARDIN: That is correct. I will go further than that. I will say that, as far as Part I is concerned, we feel we can agree with some of the suggestions but that other suggestions involve recommendations that would need more study, and this is particularly true of the second part of the report.

Mr. MARTINEAU: Yes, the second part dealing with the specific units that may be disbanded.

Does the minister intend to receive recommendations or representations from various persons or groups before making a decision?

Mr. CARDIN: As a matter of fact, this committee would have time to bring down a report before the decision is taken. I understand that the defence association will appear before your committee. Those are representations which I think are pertinent.

Mr. MARTINEAU: Will members of the units directly concerned have the opportunity to be heard before a decision is taken?

Mr. CARDIN: They have already been heard by the Suttie commission.

Mr. MARTINEAU: But, as I understand it, the units are not aware whether they themselves or some other units will be affected. Is that correct?

Mr. CARDIN: That is correct, yes.

Mr. MARTINEAU: If they do become aware of that, will they have the right to be heard? If they do become aware of the portent or contents of part II will they then have an opportunity to be heard before they are given the axe?

Mr. CARDIN: I feel that the Suttie commission has made a very thorough study of the situation. They have travelled from one coast to the other. Each unit has had an opportunity to make its voice heard either orally or through

briefs. I do not believe that, once a decision is taken, we will ask to hear more evidence because if we were to do this we would never get on with the job.

There is one thing of which I can assure the committee; that is that I would insist that the militia groups which are to be affected would be advised before anyone else is advised.

Mr. MARTINEAU: The minister has just stated that this committee's role will be to make recommendations. Does the minister seriously think that the committee will be in a position to make recommendations without knowing the specifics of the report?

Mr. CARDIN: I think the best work that the committee can do is particularly on the first part of the report which deals with the basic roles of the militia. I do not believe that I am in any position or that any member of the committee is in a position to decide which units should stay and which should not. This, I think, is a highly specialized job. On the Suttie commission we did have people who were very knowledgeable with regard to the role of militias. They were all militia men who have spent a good deal of their lives in the militia. I really feel there is very little that this committee could add to that aspect.

Mr. MARTINEAU: The minister stated that the units affected will be given a pre-notice. Will that notice be prior to knowledge of this report that will be communicated to the committee itself? After receiving that notice will the units have an opportunity to meet with national defence officials to discuss this?

Mr. CARDIN: I think we should be fair about this. I think the people who will be directly affected should be the first to be made aware of it and, unfortunately, if one does that—although the time lapse may be very short—they would know before the public or the committee were made aware of it. I think that the militia people who are affected should be advised of this before it is made public and before it goes to the committee.

Mr. SMITH: May I ask a supplementary question, Mr. Chairman?

The CHAIRMAN: Mr. Smith.

Mr. SMITH: Will the people in the units which are to be disbanded, people who are interested in continuing to be associated with the militia in some form, be given priority for amalgamation or joining another militia unit in the area. Will some priority system be set up, do you think?

Mr. CARDIN: Of course, you are prejudging what is in the second part of the report.

Mr. SMITH: Yes.

Mr. CARDIN: I would think anyone who is a good militia man and wants to stay in would have the opportunity to join other militia groups.

Mr. SMITH: May I ask a second supplementary question?

Will you give consideration to the establishment of subunits of units that are to be retained in areas, where geographically possible, in which the existing militia unit is being disbanded? Will that be given consideration?

Mr. CARDIN: Yes, I would think so but, as you can well realize, each will have to be judged on its own merits as to how big or small will be the subunit.

Mr. SMITH: All I am asking is that consideration be given to that problem.

Mr. CARDIN: I am sure it will.

The CHAIRMAN: Mr. Martineau, have you finished your questioning?

Mr. MARTINEAU: Yes.

The CHAIRMAN: Mr. Winch.

Mr. WINCH: I am sorry I was late, Mr. Chairman, but I found I could not be at the Public Accounts Committee and the Defence Committee at the same time. My question may have been answered before I came, and if so I apologize.

I would like to know from you, Mr. Chairman, as Chairman just what you conceive to be the studies this committee can make on this particular area of the militia and what type of report or recommendations we can make as a result of our deliberations when, as I see it personally, at least, we are completely in the dark. Our deliberations will have to be on the basis of supposition, of guessing, of not knowing, and perhaps of leaks. I was particularly interested, Mr. Chairman, in the statement made just now by the Associate Minister of National Defence that before this committee obtains the second part of the report the militia units will have already been notified of the government's decision.

I am asking you, Mr. Chairman, just what you think is going to be the advantage derived by this committee receiving the information for our consideration and for our thinking after the government has already made its decision and has notified the militia units of their disbandment or of that retention. I must admit, sir, that this whole picture now becomes very confused to me. How can the committee study this subject and what can we do? It strikes me that the Department of National Defence is playing cat-and-mouse with this committee and that what we are to be given on this issue is a *fait accompli*, so for us to either reject or accept makes no difference.

I would like you, Mr. Chairman, because you must have given consideration to this, to tell us how we can function in an efficient and effective manner on this most important matter.

Mr. LLOYD: On a point of order, Mr. Chairman, before we can make an accusation about the position of the committee, will the minister specifically answer the question posed by Mr. Winch. Are the units to be notified of abandonment before this committee is told?

Mr. WINCH: The Minister has already told us that.

Mr. CARDIN: I would like to answer this. I did say I would prefer to advise the militia people who are affected—and as a matter of fact I think we will do this—before bringing it to the committee. I also would like to put before the members of the committee the other side of the picture and suppose that the situation is the other way around, that you, being part of a militia unit which was affected in such a way, were not the first to be told. I do not believe it would be fair that these militia units should obtain that information second-hand from the press or from the committee. I think these people who are the people directly concerned are the first people to know. When I say that the government will have made a decision, that is quite correct. The implementation of that decision can be delayed, but at least we shall have something to work on and, as a matter of fact, I think it might save a considerable amount of time as opposed to the department not making any decision and waiting until everybody is in accord before anything else is done.

What I feel should be done is, after hearing as much as we can and studying the whole question of the militia as closely as we can, the Department should come to a decision. When that decision is arrived at, the militia should be advised of it, and then the members of the committee can scrutinize the decision that was taken. They can compare it with what is contained in both parts of the Suttie commission and then make whatever comments they feel appropriate.

Mr. MARTINEAU: I have a supplementary question, Mr. Chairman. Has the minister any idea how long it will be before his decision is taken and how long it will be before the decision is communicated to the units concerned?

Mr. CARDIN: The decision on this subject, I would think, could not be taken before some time in October, and after advising the units themselves, it would be a matter of hours before it is submitted to the committee.

Mr. MARTINEAU: Does the Minister think that it would be fair for the morale of all the militia units that they should be operating under these conditions, with the sword of Damocles hanging over their heads?

Mr. CARDIN: That is one reason why we do not want to publish the second part of the Suttie commission report, because then the morale would fall, and they would have that Damocles sword over their heads for the next three months.

Mr. LAMBERT: In the light of the fact that the training year starts in September, you are really recruiting for your units in September. Is it not nonsense to suggest that the decision be deferred until October? Frankly you are not going to get a blessed recruit in September.

Mr. CARDIN: It is not a question of deferring the decision. The question is that as an appropriate study has to be made of this very complex problem it cannot be possibly done before the middle of October.

Mr. LAMBERT: What is going to happen? Are you going to try to recruit for your units and then some time in October or November you are going to tell the units you have to chop? In this way part of the training year will be lost. I realize this report may require even more consideration than can be given before October, but let us not talk about a date like October because to me according to the statement you have just made you are not going to recruit militia right on the head.

Mr. CARDIN: I was asked about when we felt a decision might be taken. I feel it would be possible between now and October to arrive at a decision.

Mr. SMITH: I think the minister is being over optimistic on the date.

Mr. CARDIN: I hardly think it is a fault in this context.

Mr. SMITH: No, but it may mislead people. I think it would be longer than October.

The CHAIRMAN: I would like now, if I may, to answer the question Mr. Winch posed to me as your Chairman. First of all, Mr. Winch, I am, like you, a member of the committee, and I am now looking at this report which I have not had an opportunity to go through in any detail. I think the procedure the committee might follow and the benefits that the committee might gain are something that the Steering sub-committee and the Committee as a whole have to decide, not I as an individual.

If I may just speak as an individual, and not on behalf of the Committee, it seems to me that there may be two parts to the problem: One is the general principle upon which the Reserve Forces are going to operate, and the other is the translation of that principle into detailed action. I would think that subject to going through part I in some detail, there may be scope for the committee to give some very valid recommendations on the principles upon which the Reserve Forces are operated. I will not know until I study the Report in detail.

Mr. WINCH: Do you think we can call Brigadier Suttie before us?

The CHAIRMAN: Yes. We will have as witnesses the Conference of Defence Associations. They are coming on Thursday. Brigadier Suttie is coming next week for two meetings. Brigadier Suttie was to be the first witness but he is overseas now and will not be back in time.

Mr. LLOYD: Could I put a supplementary question at this time? As an aside the Minister had answered the question but not as fully as I would have liked.

If my colleague here would not try to be the Minister, the Chairman and the Secretary, I would be able to phrase my question more precisely and in accordance with the line of questions my colleague and I would like to put.

Mr. Chairman, would the minister explain to the committee this procedure again? He says that the department will notify the units that are to be disbanded.

Mr. CARDIN: That is right.

Mr. LLOYD: Do you consider it wise to notify them until at least part I has been reviewed by this committee?

Mr. CARDIN: No, as a matter of fact...

Mr. LLOYD: Part I should be reviewed first so that we at least get a maximum degree of objective thinking about your policy measures?

Mr. CARDIN: It is our hope that the Committee will have had time to report on Part I before the decision is taken.

Mr. LLOYD: So part I will be studied and considered by the Committee before the units are informed that they will be affected by the recommendations in part II?

Mr. CARDIN: That is quite right.

The CHAIRMAN: I have on my list Mr. Winch, if he should have further questions, then Mr. Lambert, Mr. Lloyd, Mr. McNulty, and Mr. MacRae.

Mr. LAMBERT: Mr. Chairman, in so far as the report is concerned, it is just a lot of history, in so far as internal matters are concerned. But what I am concerned about—and I think this committee is concerned, too—is general policy consideration as to the role of the militia. Until we get to appendix A, where we find the terms of reference, there is nothing in this report which deals with the concept of the role of the militia. What I am particularly interested in, at page 43 is, under these terms of reference, why it deemed that the militia should be made up of four components with a certain target strength? This was a decision reached by the Department of National Defence when fixing their deterrent. I want to know what it was.

Mr. CARDIN: What was what?

Mr. LAMBERT: What are the reasons behind this, because these are based upon certain concepts; and in addition to that, I think we should be able to obtain copies of certain briefs that have been presented to this committee dealing with the role of the militia, and being interested in the preservation of that unit.

Mr. CARDIN: Yes.

Mr. LAMBERT: If this could be done, might we ask the minister—what he gave us this morning was no explanation—why were 9,000 militia men needed for the replacement of certain regular army personnel? What is the concept there? Under 18,000 with three brigade groups, what are the reasons for determining this number and the disbanding of the 27 militia groups? You have made a study of it in the department. Let us have your reasons.

Mr. CARDIN: As far as the first part of the question is concerned, concerning the briefs which you wish to have tabled, might I say that this, of course, is a report made by the Suttie Commission, and when the people in the Suttie Commission appear before you, you might question them on the briefs.

As far as the terms of reference are concerned, that is correct. The Department of National Defence, when setting up the Suttie Commission, gave them terms of reference, and we have also, after making a study in the department, particularly with the Army and the Director of Militia, decided that in order to be able to carry out the roles that we feel should be carried out by the militia, this number of people would be required for these three or four different roles.

Mr. LAMBERT: What I am interested in—and I think this committee is interested in it, too, as indicated by the questions which have been asked—is this: do you feel it should be the role of the commission, because the department gave the Suttie commission a sort of reorganization concept?

Mr. CARDIN: That is correct.

Mr. LAMBERT: This is a reorganization, and they were asked to find out how they were going to fit the whole militia group within this concept. I think it is incumbent on the department now to come forward to this committee and to say why they have provided this concept for the militia.

Mr. CARDIN: We did the same type of exercise for the militia that we did for the regular forces; and after making a study of the armed forces, and of what their probable work will be in future, we pushed it a little further, to have it apply to the militia and to try to tie in a flexible and effective militia which would be able to support the regular forces, as explained in my statement and also in appendix A.

Mr. LAMBERT: There is no explanation given; there are just bald statements that you made before, and are making now.

Mr. CARDIN: What type of explanation would you want?

Mr. LAMBERT: Why did you feel that the role of the militia should be changed? Why should there be a restoration of the order, of the cadres or establishments, and a downgrading of survival training? Let us have something more than just a flat conclusion.

Mr. CARDIN: I did mention this in my statement. As far as the use of the militia to back up the forces is concerned, I think it is something which is self-explanatory. This role had been taken away, and we saw the militia engaged in a survival role. We feel that the back up role should have first priority and not the last, so we have changed the role in that sense.

Mr. LAMBERT: What are your reasons for doing this?

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, I have a supplementary question.

The CHAIRMAN: Mr. Asselin has been waiting with a supplementary question for some time.

Mr. LAMBERT: This is to be organized on a basis. There may be a necessary statement to come forward, to be prepared and brought forward; but it appears to me at the present time that nobody wishes to give us the reasons why you are making the changes. Why will you not make your case?

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, I was wondering if it would not be reasonable for the committee to look at it in this way: I think this whole thing seems to be divided into three parts, not just two. I have rapidly read through the report and the terms of reference. They specify what the roles of the militia are to be. The Suttie commission, in the context of these roles which are laid down for them, then determined how those roles can be best carried out with the number of men you have mentioned; and the second part then was which units are going to be, as you say, employed. Would it not be reasonable for this committee to begin studying first of all that which the department has determined, and, secondly, studying the criteria which the Suttie commission has then examined to carry out these roles, or has suggested for the carrying out of these roles?

I am inclined to agree with what the hon. member was saying. In other words, how can this committee examine the criteria if for instance some of us are not convinced that the four roles which are dealt with in the terms of reference are the correct ones? Do you not think that it would be better if

Brigadier Suttie should come and explain how he proceeded, so that we might discuss with the department or with representatives of the department the roles or alternatives?

Mr. CARDIN: Well, Mr. Chairman, I think the answer would be that the committee is the master of its own procedure, and they can go ahead and study whatever parts they wish, and in any order that they wish.

The CHAIRMAN: Now that we have the specific material before us, our Steering Committee is in a position to get together and look at the material available to it and prepare recommendations for the general committee as to the best method by which to tackle this material.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You will notice that the terms of reference are quite specific, and that they lay down what the role of the militia is to be. But the Suttie committee has not done this.

The CHAIRMAN: That is quite correct.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Personally I have several questions to ask in connection with the role of the militia.

The CHAIRMAN: I think the Steering Committee would probably agree with you and with my personal feeling that Appendix A of the Report obviously involves an area for important study, and is the basis upon which the Suttie commission reported.

Mr. SMITH: Mr. Chairman, I think the information we would like to have is the mathematical formula by which it was decided that 9,000 militia men are needed for a certain role. I think we would like to know how that figure was arrived at and whether it was arrived at by the Suttie commission or the Department of National Defence. If it was arrived at by the Department of National Defence we would like to know how the people of the Department of National Defence, rather than the minister, did so, and how they justify it.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In view of the number, why are we involved in national survival?

The CHAIRMAN: The next questioner on my list is Mr. Lloyd.

Mr. LLOYD: Mr. Chairman, as are other members, I am concerned with procedure. Mr. Lambert has already brought to my attention the necessity of examining certain calculations that were drawn by the Department of National Defence and which are referred to in appendix A. It would seem to me that the Steering Committee, as you suggested, could examine appendix A and identify those items which may have been restrictive on the workings of the committee, in some way, in ascertaining, as Mr. Lambert has pointed out, for the enlightenment of the committee, the justification for the conclusions that are implied in appendix A. I also think that a summary of recommendations, which in my opinion is normally prepared, and as we discuss each of the topical heads will develop in the committee a general understanding of the facts of our position in respect of the militia. I certainly think this should precede part II. I think it has been made clear by the minister's answer that he does not intend to notify the units of the disbandments that are implied in part II until this committee has completed its consideration of at least part I. I do not think he should do so because there would be no useful purpose in having an all-party committee.

Mr. MCNULTY: Mr. Chairman, my questions have been answered by the last three questioners. I am wondering whether—if we come to different conclusions regarding the role of the militia, which may effect the conclusions actually contained in part II of the Suttie report—the minister of the department will reserve decision concerning the disbandment or displacement of certain militia units until our report has been considered, and whether an actual consideration of our conclusions in this regard will possibly have an effect on part II of the study report.

Mr. CARDIN: It is hoped that the committee will have had time to bring in a report before decisions are taken in respect of the units and, as a matter of fact, I have been accused of being a little optimistic in suggesting that a decision could be made some time in October. I presume the committee will have had time by that then to prepare its report.

Mr. MCNULTY: If our conclusions differ in respect of the role of the militia will they be taken into consideration?

Mr. CARDIN: They will definitely be taken into consideration.

Mr. FANE: Mr. Chairman, I should like to ask the minister whether it is proposed to follow entirely and exactly the recommendations that are brought forward in this Suttie report, or are they to be amended by the department, by the committee, or anyone else?

Mr. CARDIN: As is the case in respect of most reports of committees, it is the normal practice to go over the recommendations, following which many of them are adopted, others are modified, while still others are not implemented at all.

Mr. FANE: They will not be accepted and blindly followed, is that right?

Mr. CARDIN: No. I can assure you that will not be done.

Mr. FANE: I hope not. The reason I say this is that I do not think that the commission, made up entirely of brigadiers, or almost so, could give an exact picture of the militia. As everyone knows, there are a lot of detached units which probably are responsible to the brigadier commander, but such commander really has not a true picture until such time as those in the lower echelons are consulted directly. I am thinking of majors, captains and so on. These people have command of these detached units and probably they have a little different picture than a brigadier has.

Mr. CARDIN: Yes. I can assure you, Mr. Fane, that we are not going to accept it blindly. As a matter of fact, the department is going to study very carefully both parts of the reports. The committee will be studying the first part and the second part eventually will be made available to the committee, as a result of which we will be able to have the benefit, I am quite sure, of lots of opinions.

Mr. FANE: Thank you.

The CHAIRMAN: As there is no one else on my list of questioners I would suggest we adjourn.

Mr. SMITH: I have a matter I would like to bring up, Mr. Chairman, which goes back to the Minister's statement this morning.

The CHAIRMAN: Does it deal with the Minister's statement?

Mr. SMITH: Yes. In your statement this morning, Mr. Cardin, you say that a study had been made of the actual cost of the militia in addition to the apparent costs of salary and so on, and that it was concluded that the army militia cost $38 million, I think the figure was, the navy, $16 million, and the air force, $13 million.

Mr. CARDIN: I think there was a mistake. It is $6 million for the navy. I may have made a mistake when I gave you that figure.

Mr. SMITH: I may have misheard you. I would like it if the committee could be furnished with some of the details in respect of how those figures were arrived at because the suspicion might lurk in some of our minds that the people making up the costs were permanent force officers and they may have acted unfavourably against the militia. If we could be given details in respect of what items are charged into that account we would be reassured of the fairness of the study.

Mr. CARDIN: That easily could be done, Mr. Smith.

The CHAIRMAN: Would you proceed, Mr. Laniel.

Mr. LANIEL: Mr. Cardin, did the Suttie Commission have any alternative but to discuss or study the terms of reference that were given to them so far as the program of their work was concerned?

Mr. CARDIN: No. When you set up any commission the terms of reference are given to it and it works on the terms of reference which it is given.

Mr. LANIEL: This would mean that among the commission you might have had some members who were not quite of the same opinion as the department so far as the four roles are concerned and they still were working on the assumption these roles could be the best roles for the militia?

Mr. CARDIN: I would suggest that would be possible, yes.

Mr. LANIEL: In respect of the second part of the report, the implementation of the recommendations found in part one, would there not be any conclusions that might influence this committee in respect of the good reasons for the basis of this study so far as the roles are concerned?

Mr. CARDIN: That also is possible. I would think that is the type of question that should be put to the members of the commission themselves when they appear before you.

Mr. LANIEL: This could be useful to the committee.

Mr. CARDIN: Yes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Are you in a position at this moment, Mr. Cardin, to tell the committee, if the roles which were outlined in your terms of reference were followed and if the implementations as contained in the Suttie commission, in accordance with those roles were followed, what amount of money would be saved?

Mr. CARDIN: According to the report you have before you the saving is in the order of $5 million.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I see that the reserve would be cut from 46,000 to approximately 30,000. There is a saving of only $5 million and it does not seem to add up. I grant that there is equipment and all the rest, but I am wondering whether the minister would be in a position to tell us why it is so small in relation to the cut down in the personnel.

Mr. CARDIN: As you can appreciate, that was part of the work done by the members of the committee and I think they are the ones who should answer the question.

Mr. BREWIN: The report contemplates a saving of $5 million. Does it not contemplate that although some of these recommendations will bring about these reductions, they will be diverted to the carrying out of other recommendations which will cost more?

On page 39 it says:

> Many of the recommendations have attached to them an element of cost.

I take it that means there will be an additional cost and within the same limits you might have $5 million savings through recommendations which would be available for the extra cost in carrying out some of the recommendations.

Mr. CARDIN: I think you are correct in saying the savings in one area might go to things like equipment and so on, but I am not sure it would cost more than the saving involved. If you look at page 40 it says:

> In addition to the above there will accrue considerable savings in other areas, for example, form revised establishments, reduction in the number of units—

And so on. Therefore, this $5 million figure is not all the saving contemplated.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I might rephrase my original question. What did the department have in mind in the way of savings when it outlined the roles and the numbers of personnel available for those roles?

Mr. CARDIN: It had no other actual financial saving in mind, so far as I know. The figures concerning number of personnel were made up after a study had been made of what we feel would be necessary to carry out these different roles. That is how the cut was made from 46,000 back to 30,000. I do not recall having see any figure of actual financial savings the department had estimated.

Mr. ASSELIN (*Notre-Dame-De-Grâce*): A figure of $5 million seems very small in relation to the change in the establishment.

Mr. CARDIN: I think this can only be justified and understood after the people of the Suttie Commission have explained what is involved.

Mr. MCNULTY: Are studies similar to the one undertaken by the Suttie Commission being undertaken or contemplated for the navy and the air force?

Mr. CARDIN: Yes, there are two committees that have already brought in a report: There is the Hendy committee report for the Royal Canadian naval Reserves, the Draper report of the R.C.A.F. Auxiliary. There will be made available to the committee. They are now being translated, and I understand it will take at least two or three weeks before they can be obtained.

The CHAIRMAN: Are there no other questions?

We now have the material in front of us. We have had a number of expressions of viewpoint as to how the Committee might handle this material. I will call a Steering Committee meeting prior to our next meeting, and then we will proceed with the study.

The meeting is adjourned.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

THURSDAY, JULY 16, 1964

RESERVE FORCES

WITNESSES:

Representing the Conference of Defence Associations: Lieutenant Colonel W. R. Learmonth, Chairman; Commodore R. I. Hendy; Lieutenant Colonel B. J. Legge; and Group Captain W. J. Draper.

ROGER DUHAMEL, F.R.S.C.
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SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, July 16, 1964.
(17)

The Special Committee on Defence met at 11:05 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Hahn, Lambert, Laniel, MacLean, MacRae, McMillan, McNulty, Pilon, Smith, Temple and Winch (16).

In attendance: *Representing the Conference of Defence Associations*: Lt. Colonel W. R. Learmonth, Chairman; Commodore R. I. Hendy; Lt. Colonel B. J. Legge; and Group Captain J. W. P. Draper; and Brigadier W. S. Rutherford.

The Chairman presented the Sixth Report of the Steering Subcommittee as follows:

The Subcommittee agreed to recommend that the schedule of meetings of the Committee be arranged as follows:

(*a*) On Tuesday, July 21, the Committee continue its consideration of the "Reserve Forces", with the Associate Minister of National Defence in attendance.

(*b*) On Thursday, July 23, the Committee continue the consideration of the "Reserve Forces" with Brigadier E. R. Suttie in attendance.

On motion of Mr. MacLean, seconded by Mr. Pilon,

Resolved,—That the Sixth Report of the Steering Subcommittee, presented this day, be now concurred in.

The Seventh Report of the Steering Subcommittee was presented as follows:

The Subcommittee agreed to recommend:

1. That during the week of July 27, 1964, the Special Committee on Defence visit the Royal Canadian Navy establishment at Halifax, take part in a fleet exercise, and visit the SACLANT Headquarters at Norfolk, Virginia.
2. That the Clerk of the Committee accompany the Committee Members on the above-mentioned visit.
3. That when the Committee adjourns from place to place, the actual living and travel expenses of Committee Members and Staff be paid.

On motion of Mr. Asselin (*Notre-Dame-de-Grâce*), seconded by Mr. Temple,

Resolved,—That the Seventh Report of the Steering Subcommittee, presented this day, be now concurred in.

21027—1½

The representatives of Conference of Defence Associations were invited to present their views respecting "Reserve Forces".

Lt. Colonel Learmonth read the Association's brief. Messrs. Learmonth, Hendy, Legge and Draper were questioned on the contents of that brief and on related matters.

At 1:05 p.m. the Committee adjourned until 11:00 a.m. on Tuesday, July 21, 1964.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 16, 1964.

The CHAIRMAN: Gentlemen, we now have a quorum. Please come to order.

Before we start today's business, I have two Steering Subcommittee reports which I would like to submit to the Committee. Your Subcommittee on Agenda and Procedure met yesterday and discussed our agenda with regard to the Reserve Forces, following the discussion we had at our committee meeting last Tuesday. It was agreed among the members of the Steering Committee that this Committee very usefully could pursue an investigation of the roles and tasks assigned to the Reserve Forces, and other items which generally were dealt with implicitly, and otherwise, in Part I of the Suttie Report. In order to do this it is necessary to change our schedule of meetings. We had arranged for the Conference of Defence Associations to be here today, and for Brigadier Suttie to appear on two occasions next week. We now have changed that, because of the "Terms of Reference" as they appear in the Appendix to the Suttie report.

On Tuesday next we will have the Associate Minister of National Defence here with departmental officials to discuss the terms of reference which were set forth for the Suttie commission.

The Subcommittee's Suttie Report reads as follows:

> The subcommittee agrees to recommend that the schedule of meetings of the committee be rearranged as follows:
>
> (*a*) On Tuesday, July 21, the committee continue its consideration of the "Reserve Forces", with the associate minister of national defence in attendance.
>
> (*b*) On Thursday, July 23, the committee continue the consideration of the "Reserve Forces" with Brigadier E. R. Suttie in attendance.

May I have a motion for the acceptance of that report?

Mr. MACLEAN (*Queens*): I so move.

Mr. PILON: I second the motion.

Motion agreed to.

The CHAIRMAN: The next report of the Steering Subcommittee which I have to present concerns the Navy. The Navy people have been in touch with us and have indicated that during the week starting July 27 the fleet is exercising and this would be a very advantageous time for the Committee to visit the Navy, and that this could be done with a minimum disruption of the navy itself. They would not have to shift the vessels around to accommodate us, because they will have their fleet on exercise. Therefore, we have made tentative arrangements to visit the Navy starting on Monday, July 27, and returning here late on Thursday of that week. Of course, this is subject to cancellation should the situation in the House itself require the presence here of members of the Committee.

The Seventh Report of the Steering Subcommittee, therefore, is as follows:

The subcommittee agreed to recommend:

1. That during the week of July 27, 1964, the special committee on defence visit the Royal Canadian Navy establishment at Halifax, take part in a fleet exercise, and visit the SACLANT Headquarters at Norfolk, Virginia.
2. That the clerk of the committee accompany the committee members on the abovementioned visit.
3. That when the committee adjourns from place to place, the actual living and travel expenses of committee members and staff be paid.

May I have a motion for acceptance of this report?

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I so move.

Mr. TEMPLE: I second the motion.

Motion agreed to.

The CHAIRMAN: This morning we will continue our examination of the Reserve Forces. We have with us representatives of the Conference of Defence Associations. I will give you the names of the persons who are in attendance: Lieutenant Colonel W. R. Learmonth, who is Chairman of the Conference of Defence Associations; Commodore Robert I. Hendy, Lieutenant Colonel B. J. Legge, Group Captain J. W. P. Draper, and Brigadier W. S. Rutherford. Colonel Learmonth will read a statement which will be distributed to committee members, and following the presentation of the statement, we will proceed with our questioning. I think, perhaps, Colonel Learmonth, we will distribute the statement before you start.

Mr. LAMBERT: Mr. Chairman, as a point of information, is Lieutenant Colonel Legge the same Lieutenant Colonel Legge who is a member of the Suttie commission?

Lieutenant Colonel W. R. LEARMONTH, C.D., (*Chairman, Conference of Defence Associations*): Yes.

Mr. DEACHMAN: Does the statement open with a definition of the organization these persons represent?

The CHAIRMAN: Yes. The statement now has been distributed. Would you proceed, Colonel Learmonth?

Mr. LEARMONTH: Gentlemen, at the outset I would like to make a comment on the brief which you have in your hands. As you know, the release dates of the different reports have been changed, and because of the abridged length of time for the preparation of our brief, we have not been able to have it translated. There is no French copy available this morning. I trust that the members of this Committee who would prefer to have it in French will appreciate our difficulties.

At the outset I also would like to make the comment that we are following the procedure which we understand is the usual one before this committee; that is, we have prepared our statement in writing. The statement is quite complete and sets forth our views with regard to the reports that presently are released.

I propose to go through this statement, and if it appears somewhat tedious, I trust you will understand that this is the method which has been suggested, and we propose to follow it.

I will start at the beginning of page 1.

May I first introduce myself and the other members of the Executive of the Conference of Defence Associations (CDA). My name is Lieutenant Colonel W. R. Learmonth, CD, and I appear before you as the chairman of the Conference of Defence Associations. As to my military qualifications, I have had 24 years of association with the army in various capacities commencing with Osgoode Hall C.O.T.C. in 1940 and five years active service in Canada and overseas with the Royal Canadian Ordnance Corps. After the war I served for 10 years with the militia including 5 years in command of the ordnance unit in Toronto I have been associated with the R.C.O.C. association since the war and am now the immediate past president.

Also with me today on my right is Commodore Robert L. Hendy, V.R.D., C.D., Q.C., whose service record consists of one year in the University of Toronto C.O.T.C. followed by 24 years in the Naval Reserve, commencing in 1936 and including 6 years active service. He has served in destroyers, cruisers, battleships and other major war vessels and attended the Royal Naval Staff College, Greenwich, England. At the end of the war he was deputy director of warfare and training at naval headquarters, Ottawa. He has commanded HMCS York, in Toronto, the naval establishment in Toronto and was senior naval officer in Toronto for the four years preceding his retirement in 1962. He is the first naval officer to have been chairman of the C.D.A. He has been an hon. A.D.C. to the Governor General of Canada since 1952. He is a past president of the Fort York branch of the Royal Canadian Legion and a director of the royal Canadian military institute. He is honorary president of the Canadian Naval Association. He is presently the naval representative on the executive of the C.D.A.

Lieutenant Colonel B. J. Legge, E.D., Q.C., of the Canadian army is here and he has served continually in the armed forces of Canada since 1938 including almost five years on active service in various field and staff appointments. He has commanded Five Column R.C.A.S.C. in Toronto for four years and is presently the A.A. & Q.M.G. of 15 Militia Group. He is the vice chairman of the Suttie commission, the vice chairman of the Conference of Defense Associations, the first vice president of the Fort York branch of the Royal Canadian Legion, vice president of the Royal Military Institute, a member of the defence study group for the Canadian Institute of International Affairs and the chairman of the Institute of Public Administration of Canada in Toronto. In 1958-1959 he was the president of the empire club of Canada.

Group Captain J. W. P. Draper, D.F.C., C.D. is also here and his service record is as follows: He joined the R.C.A.F. in April of 1941 and took his training in Canada. His overseas service consisted of two tours as a fighter pilot with the Royal Air Force in England, Africa and Europe. He was released from the R.C.A.F. in January of 1946. He graduated from the University of Toronto with an engineering degree in 1950 and enlisted in the R.C.A.F. auxiliary in April, 1952. He has commanded the Toronto auxiliary as group captain for the last five years. He is presently the air force representative on the executive of the C.D.A.

First of all I would like to thank the Chairman, Mr. Hahn, and the members of the defence committee for giving us this opportunity to be of service in appearing before them and presenting the views of the Conference of Defence Associations (C.D.A.) to the committee in a form which will be of permanent record and reference.

My colleagues and I represent an organization that has been serving Canada for 32 years. Its first chairmen in 1932, 1933 and 1934 were Col. the Hon. G. A. Hope, D.S.O., M.C.; Col. the Hon. George Drew, V.D., C.D., P.C., Q.C., LL.D., and Lt. Gen. the Hon. P.J. Montague, C.B., C.M.G., D.S.O., M.C., V.D.

The object and purpose of the C.D.A. has been always to serve its country by making its advice and experience available to the government and to the Department of National Defence in a broad manner as well as for detailed problems. The defence of Canada is of such great importance that the more enlightened attention it receives, the greater the benefit to the country. The C.D.A., therefore, warmly welcomes the attention defence policy and defence affairs have been receiving in recent years. In more particular, it welcomes the establishment of this special defence committee of the House of Commons. It is also pleased to have participated in the creation of the recent committee inquiring into the operation of the naval reserves and R.C.A.F. auxiliary.

As this occasion is an opportunity for the C.D.A. to put its views on record, it is probably convenient to proceed in the following manner with your permission. Firstly, I will review the sequence of recent events leading up to our present appearance here. Secondly, I will review our short brief to this committee dated last December 5 which was not dealt with at the previous session. Thirdly, I will review the findings of the Suttie report on the militia and fourthly, deal with the Hendy and Draper reports on the naval reserve and air force auxiliary respectively. I will then deal with two other matters of importance, and conclude with general comments.

Sequence of Events

1. December 5, 1963—a brief of the executive of the C.D.A. forwarded to Mr. Sauve.

2. December 5, 1963—Mr. Hellyer announced in the House of Commons the reduction of the militia from 50,000 to 30,000 strength with an expected saving of $15,000,000.

3. January 3, 1964—Executive of C.D.A. met with minister, associate minister, deputy minister, chief of general staff regarding proposals of government.

4. January 16th to 18th—Annual meeting of C.D.A. held in Ottawa.

5. January 16, 1964—Mr. Hellyer addressed C.D.A.

6. January 16, 1964—Ministerial committee set up to make recommendations regarding R.C.N. and R.C.A.F. (Hendy and Draper reports).

7. February 16, 1964—Hendy and Draper reports presented to A.M.N.D.

8. February 18, 1964—Hendy and Draper reports received by C.D.A.

9. February 28, 1964—Executive of C.D.A. met with Mr. Hellyer and Mr. Cardin together with vice chief of naval staff and vice chief of air staff to review Hendy and Draper reports.

10. March 3, 1964—C.D.A. luncheon for Suttie commission.

11. March 26, 1964—White paper on defence issued.

12. June, 1964—Suttie report presented to Department of National Defence.

13. July 14, 1964—Special committee on defence reviewed Suttie report with Department of National Defence.

14. July 16, 1964—C.D.A. appeared before special defence committee.

As set out in the above sequence of events, the executive of the C.D.A. being aware of current developments, considered that in the discharge of its responsibilities, it should make a submission to this committee. After considering the matter carefully and drafting a submission, it was finally completed and forwarded on December 5, which date happened to coincide with the statement of Mr. Hellyer in the House of Commons. This submission is self-explanatory and states the position of the C.D.A. with reference to the proposed reductions. I would like to now go over this submission with you.

CONFERENCE OF DEFENCE ASSOCIATIONS

P.O. BOX 893,
TERMINAL POST OFFICE
OTTAWA 2, ONT.

20 Mason Boulevard,
Toronto 12, Ontario,
5 December 1963.

Maurice Sauvé, Esquire, M.P.,
Chairman, Special Committee on Defence,
Parliament Buildings,
Ottawa, Ontario.

Dear Sir:

On behalf of the Conference of Defence Associations, I am taking the liberty of writing to put before you for your committee certain matters which the Conference of Defence Associations feels merit consideration in the hope that such will be of assistance in the deliberations of your committee relating to the important matter of Canada's national defence policy which it is examining.

Perhaps at the outset I should outline to you the constitution and objects of the conference. This conference is comprised of member associations from all three armed services, navy, army and air force, whose representatives meet annually in January in Ottawa to discuss matters of defence generally. The army component of the conference is comprised of various corps associations representing branches of the army such as the infantry, engineers, et cetera. The navy and the air force are represented by groups from their reserve components. The Defence Medical Association which represents the medical branches of the three services, now known as Canadian forces medical services is also a member of the conference. Preliminary to the annual meeting in January all the various service or corps associations will have held meetings at which matters of particular concern to them have been considered and discussed and arising out of such deliberations will be forwarded to the conference resolutions for discussion and appropriate action by the conference as a whole. Such resolutions are confined to those which affect more than one service or one arm of a service so that the conference's time is devoted to matters which have a broad defence interest. We feel that the conference enjoys the confidence of the Department of National Defence and the senior officers thereof. To this extent the annual conference always has the honour of being addressed by the Minister of National Defence on some occasion as well as the chiefs of the three services.

Membership in the various associations comprising the conference is drawn from ex-officers of the services with the larger number being former or present active officers of the reserve components of the navy, army and air force. The conference thus represents a responsible group of citizens who have a deep and continued interest in matters of national defence. This they demonstrate by the time they devote to questions relating to their services and the attendance at the conference itself and as well as the meetings of the various corps associations. In the past the conference has lent its assistance and support to the Department of National Defence, for instance in connection with the board of officers known as the Kennedy commission which was set up some years ago to investigate the organization of the militia.

The objects of the conference as set forth in the constitution are as follows:

> The object of the conference is to consider the problems of national defence, to assist the government of Canada in placing these problems before the people of Canada, to co-ordinate the activities of the service associations in matters of common interest in all services, to make recommendations to the government of Canada as may appear expedient, and generally to promote the welfare of the defence forces of Canada as a whole.

With the foregoing as a background therefore, at this time I should like to put before your committee some observations which we feel are pertinent to your deliberations without going into the presentation of a lengthy brief. However, you may rest assured that members of the conference would be honoured to be asked to appear before your committee to discuss at greater length the various points which will only be touched on in this letter.

Primarily, notwithstanding the very broad objects of its constitution, the conference has traditionally concerned itself with matters affecting the reserve components of the armed services. While the conference is interested in the broader aspects of defence planning, through the particular qualifications and activities of its members, it is expert in matters affecting the reserve forces. Accordingly the prime and perhaps all-embracing matter which we wish to put before you is that in making a recommendation to the government in respect of defence policy, due regard be taken of the role and place of the reserve forces in the Canadian defence establishment.

We consider under the present system of military service and having regard to geographical considerations, apart entirely from tradition, that the reserve forces for a country such as Canada produces dollar for dollar as good or better value than any similar dollar spent on defence. This is not to in any way discount in the slightest degree the position of the regular forces but it is merely a statement based on the existing conditions in this country. For example, insofar as national survival is concerned, if we are to have any effectiveness in this field there must be units trained to cope with the problems arising after nuclear attack in a great many widely scattered communities and major centres throughout the country. Obviously, the numbers available from the regular forces would be totally inadequate to either garrison or perhaps bring in personnel to the numbers required to assist after an attack. Therefore, the great burden of national survival will rest on the trained citizen-serviceman. There is also, although probably not a major threat but yet a possibility of isolated raids on the vast territory of this country for which it would be impossible to maintain forces in being at all times to deal with. Accordingly, the citizen-serviceman is in a position to play a similar role to his predecessor of many years ago when the early settlers were as ready to take up their muskets in defence of their homesteads against raiding Indians by being available to deal with such isolated raids. Hence the importance of maintaining military skills for the reservist.

Further, we believe that the reserve forces notwithstanding the great emphasis on forces-in-being and the doctrine of a short war, still have great importance to reinforce the regular forces in times leading up to and involving an emergency. Thus, the reserve components of all three services have maintained a continuing availability for call-out and for performing sudden emergency operations. This has been demonstrated many times. To mention some instances there were the disasters of hurricane Hazel and Red river floods which hit the Toronto and Winnipeg areas some years ago. Reservists of the navy and air force take part in search and rescue operations on the Great lakes and elsewhere in Canada. Further, the experience of the Korean war when it was required to raise troops for service in that theatre showed that the militia

regiments were admirably suited to find and provide men. The reserve air components of both the navy and the air force are frequently called upon for operations and other duties which are allotted to it by their respective commands and which often supplement and complement the work of the regular force. Apart therefore from the necessity and desirability of providing a nucleus from which the forces can be expanded in time of an emergency the reserve forces are in fact forces-in-being, who can upon extremely short notice, be made available for active duty. This is at a modest cost when one considers the tremendous amount of time that is devoted to their duties by personnel of the reserve forces. Thus, while provisions are made for reserve personnel to receive pay and allowances for their activities it can be stated without reservation that the amount of time they devote to their military duties is far in excess of that for which present scales of pay would provide compensation. This has always been accepted by the reserve forces as part of the privilege of serving and is not put forward in any way as a criticism of the present policy of payment for reserve duty but merely as an observation.

Apart from the feelings of the conference in respect to the importance of the reserve force establishment, we also feel that on many occasions the regular forces have indicated their support of an adequate reserve for the permanent component. We appreciate that the hearings before your committee have been mainly concerned with regular force matters respecting commitments, weapons, strengths, distribution of troops, maintenance and other similar problems related to those forces yet, we are aware that chiefs of staff and senior officers of all three services have from time to time in the past indicated that the reserve components of the respective services have a part to play and are considered as essential for the defence program. Thus under today's conditions the immediate emphasis of a reserve may have been somewhat altered from several years ago, this seems due to the fact that the regular force has taken on additional responsibilities in conjunction with Canada's international commitments and in no way seems to affect the basic need for a strong reserve of all three services. Many of your committee will recall the situation which existed prior to World War II when the principal military effort of Canada was directed to the maintenance of strong reserve forces, especially in the case of the militia and our permanent forces were regarded to a great extent as cadres for the training of the reserves. Due to the increased complexity of the problem of defence, the reserves today actually have greater numbers of regular personnel assisting them than in 1939. Thus while the role of the reserve may alter in respect to the regular force, its current role should not be lost sight of under today's conditions. We submit that the reserve fills the same important position now as it did prior to World War II, while recognizing however that the regular components have grown vastly in size and in the importance and variety of their tasks.

Earlier in this letter I referred to the work of the Kennedy commission and the conference's part therein. It may be that at the present time some further look at the organization of the reserve forces may be required. This of course, will to some extent be dependent on the organization which the regular force components take. The conference, by reason of representing all three services, is in an admirable position to lend the same assistance as it has in the past, and in particular by bringing together personnel from all three services in their reserve components a great deal can be done to develop the unity of thought which is so desirable for today's defence problems. Greater steps in this direction are undoubtedly desirable but we emphasize that the identity of the various services should be maintained. This is especially important from the point of view of esprit de corps which in a reserve force unit has tremendous importance from the point of view of its efficiency and well-being.

In summary, therefore, the conference's position is that the justification for maintaining reserve forces in at least the present level is fully warranted on the merits and does not rest on grounds of tradition or sentimentality alone. The reasons for the conference's position may be summarized as follows:

1. The role of the reserves in providing for local defence or tasks connected with national survival or disaster is as important, or perhaps more important, than ever before.
2. The reserves perform useful and important functions on even an unmobilized basis which could only be discharged by larger regular units.
3. The reserves, as in the past, continue to form the nucleus from which active service units can be drawn and expanded by maintaining their contacts with the people in the community in which they are situated.
4. On a cost basis the reserves provide good value for the defence dollar.

On a more intangible basis, the maintenance of citizen servicemen knits the defence establishment into the community and is a vital element in giving Canadians an opportunity to follow the precept laid down by the late John F. Kennedy when he stated in his inaugural address as President of the United States of America—

> Ask not what your country can do for you—ask what you can do for your country.

I trust that the foregoing comments will commend themselves to you and perhaps suggest certain avenues of further enquiry for your committee. May I also reassure you and your committee that the conference and its officers stand ready to assist in any way which you may feel our particular talents and abilities might dictate to emphasize the continued importance of the reserve force in the defence organization under today's conditions or as they may develop in the future. If thought desirable a delegation from the conference will wait upon your committee or prepare a further submission by brief.

Yours very truly,

LeSueur Brodie, Lieut.-Colonel,
Chairman,
Conference of defence associations.

Suttie report part I

Turning now to the Suttie report, I will merely start at the beginning and proceed through it, dealing with each point as it appears, giving you our observations and views.

1. On page (i) you will note that the members' letter states that the "resultant recommendations have the endorsement of each and all of us". We are all naturally aware of the problem in obtaining the unanimity of ten members in many recommendations.

2. On page (vi) it is noted that discussions were held with the army council to ensure that recommendations were workable.

3. On page (vii) it is stated that the commission co-operated with the Executive of the C.D.A. This statement is not completely accurate as the commission did not approach the C.D.A. to request its views. Despite this, the C.D.A. informed the commission that it was available to appear before it, but this offer was not accepted.

4. On page (vii) the commission considered it "unwise to attempt integration of the militia units before the regular army had assumed its new configuration". It is agreed that no integration between units should precede similar integration resulting from implementation of the white paper.

5. On page (viii) reference is made to the Hendy and Draper ministerial committees. This is the only reference in this part of the report to these committees and the commission states "that apart from endorsing the proposals made by these separate committees, no further consideration should be incorporated in our report." The following paragraph deals with surplus accommodation of naval and air force reserves.

6. On page (viii) the air force reserve in a transport role is considered. The C.D.A. fully supports the comments on air portability and recommends implementation of this role.

7. On page (ix) there is an obscure and incomprehensible reference to over-age personnel in the regular force as compared with the militia. The C.D.A. is firmly convinced that there is a need for an element of experienced and mature personnel in the militia.

8. Beginning on page (x) appears a summary of 26 recommendations. For your information and for purposes of record, it is proposed to comment on each recommendation.

9. Recommendation 1 regarding a positive public relations programme in support of the militia has been advocated by the C.D.A. for many years as a matter of high priority consisting of government encouragement, leadership and implementation from the top level down, in making the country aware of the importance of the reserve forces through a planned public relations programme.

10. Recommendation 2 refers to the anomaly of the militia C.O.'s responsibility without authority. The C.D.A. fully supports the principle of giving C.O.'s authority as well as responsibility.

11. Recommendation 3 regarding training programs is endorsed.

12. Recommendation 4 regarding weekend training is endorsed.

13. Recommendation 5 regarding equipment is strongly endorsed.

14. Recommendation 6 regarding training aids is strongly endorsed.

15. Recommendation 7 regarding training manuals is endorsed.

16. Recommendation 8 regarding corps schools is endorsed.

17. Recommendation 9 recommends the release of 332 call-outs, and allocating out 735 I. Staff to individual units. This is a major change and should result in more direct use of the I. Staff, closer relationship between the militia and regular force, and the keeping of militia more up to date, and accordingly is endorsed in principle.

18. Recommendation 10—Increased emphasis on physical fitness is desirable but is considered somewhat impractical due to the time limitation.

19. Recommendation 11 regarding overage retirements for the arms is supported only as regards to armour and infantry and in any event a discretion should remain to retain personnel medically acceptable. It is also a fact that in many cases room in the mobilization plan exists for men who have particular qualifications or long experience with military matters who are not necessarily required for combat duties but who do have the qualifications to fill particular jobs on active service. Thus it is probably better in the reserve forces to have "more chiefs than Indians" in order to ensure that you have this ready talent enlisted in uniform and available.

20. Recommendation 12 regarding recognition badges has been recommended for many years by the C.D.A.

21. Recommendation 13 regarding uniforms has been recommended for many years by the C.D.A.

22. Recommendation 14 regarding establishments—There is an understandable desire to make establishments more realistically related to strength. Notwithstanding this, there should always be a greater emphasis on efficiency, than strength and establishments. The establishments of the arms were frequently unattainable merely because it had been convenient to use field establishments. The C.D.A. is prepared to endorse this recommendation, but on a trial basis with great care and discretion to be used in changes from major to minor.

23. Recommendation 15 regarding a special reserve of officers is endorsed subject to our comments regarding recommendation 11, whereby we recommend limiting the application of age reductions, to the armour and infantry.

24. Recommendation 16 regarding administrative procedures is a major recommendation and has been advanced for many years by the C.D.A. and is now a matter of great urgency.

25. Recommendation 17 regarding attestation is endorsed.

26. Recommendation 18 regarding boards of inquiry is endorsed.

27. Recommendation 19 regarding accounting is endorsed.

28. Recommendation 20 regarding pay. The pay procedure should undoubtedly be streamlined and there have been many recommendations to this effect. However, the C.D.A. does not recommend a block system, but rather a simplified per diem pay system, with a bonus for accomplishment.

29. Recommendation 21 regarding special expenses is endorsed.

30. Recommendation 22 regarding contingency allowance is endorsed.

31. Recommendation 23 regarding armouries is endorsed.

32. Recommendation 24 regarding composite stores and messes is endorsed. Care must be taken to avoid dislocation of established messes of major units. Composite orderly rooms may be theoretically desirable but may be administratively impractical and the possible economy should be thoroughly investigated.

33. Recommendation 25 regarding disposal of surplus army buildings is endorsed, subject to costing regarding nominal rentals.

34. The C.D.A. takes exception to recommendation 26 regarding reorganization of the conference of defence associations. The terms of reference of the Suttie commission were to consult with the C.D.A. not to re-organize it.

Regarding recommendation 26 (*a*), there is no good reason to change the name of the C.D.A. It is an honourable, historic and descriptive name.

Recommendation 26 (*b*) disregards the present tri-service composition of the C.D.A. The restrictive membership the report recommends would eliminate the experience and interest of such persons as former CO's who make a valuable contribution to the C.D.A. It should be noted that no honourary appointments have been made in the R.C.N. and R.C.A.F. since prior to World War II.

Regarding recommendation 26 (*c*) and 26 (*d*), it is urged that all grants be paid to the C.D.A. and that these be apportioned equitably by the C.D.A. to the corps associations, including grants to the R.C.N. and R.C.A.F. components of the C.D.A.

35. On Page 40 of Part I of the report appears a recommendation with reference to implementation of the Report. It recommends that the commission should continue at the pleasure of the minister and be able to review progress and advise the minister, that the secretary should remain on loan, and also that the chairman be available from time to time. The C.D.A. opposes

this surprising suggestion which in reality perpetuates this committee after its work has been done and its report made. The same objection would be raised regarding the Hendy and Draper committees.

A logical solution is for the C.D.A. to undertake this role. It is pointed out that the C.D.A. was established for, and has performed, in a consultative and advisory capacity since its inception, especially in regard to militia matters, and latterly those of the naval reserve and R.C.A.F. Aux. It is therefore equipped and suited to discharge this function on a continuing basis. This can be accomplished without the additional cost inherent in the recommendation of the Suttie report. It is worthwhile noting that all members of the Suttie commission have their individual roles and influence within their corps associations and should participate in corps associations and in C.D.A. activities. As such, their opinions will continue to be available.

Comments on Suttie report part I

Counting the recommendation regarding implementation, there are 27 recommendations in part I. These recommendations are not necessarily inspired by the terms of reference, and indeed, one is hard put to find them in the terms of reference. Nonetheless, such a broad examination of the militia was well worthwhile, and their recommendations are in the main sound and constructive. In summary, the C.D.A. endorses 18 outright, has comments from partial approval of 7 (10, 11, 14, 15, 20, 24, 25) to rejection of 2 (26, 27).

Part II of the Suttie report we presume will contain the more detailed recommendations regarding the constitution of the militia. When part II is released we are prepared to submit our comments and recommendations.

It is regretted that the militia commission did not deal at any length with the usefulness of the militia as a force in being for a "brush fire" or conventional war and providing a pool of personnel which could back up regular units called out. The conference feels that this is an important aspect of the role of a militia and one that should be developed. Perhaps this omission is explainable by reason of there being no specific reference to this point in the terms of reference.

Hendy and Draper reports

Next, I would briefly like to refer to the work of the two committees which were set up in co-operation with the conference of defence associations by direction of the honourable, the Minister of National Defence, to consider the organization of the naval reserve and the air force auxiliary. These two committees arose as a result of a request by the conference to the minister to have an opportunity to re-examine the reserve components of the R.C.N. and the R.C.A.F. arising out of the announced cuts in the reserve forces of these two services in December of 1963. The committees were established on the conclusion of the meeting of the conference in Ottawa on the 18th of January, 1964 and were given until the 15th of February to conduct their investigations and report. Both committees in the course of their hearings travelled extensively across the country and I believe, carried out an objective and worthwhile examination of the role and organization of the reserves of these two services.

The committee's report, containing the findings and recommendations of the committee was submitted to the honourable, the Associate Minister of National Defence on the 15th of February 1964. Shortly thereafter, a revised plan for the R.C.N.R. was announced, which authorized the retention of two of the divisions which had been previously announced for closing, namely the units of Halifax and Victoria and other units were held in suspense insofar as closing down was concerned until the completion of the report on the militia. It is understood that several of the naval reserve committee's recommendations have been promptly acted upon by the naval authorities.

At this point, I should like to say on behalf of the conference, that we feel that the reaction of the naval authorities reflects the greatest credit on the chief of naval staff, vice-admiral H. S. Rayner and his advisors and is tangible evidence that with goodwill and co-operation between the services and interested groups, such as the conference of defence associations, constructive suggestions and assistance toward efficient defence planning can be achieved. We feel that the committee served to show the naval reserves that there was a genuine concern for their position and did a great deal to dispel earlier impressions that perhaps the role of the naval reserve was not appreciated nor recognized.

I should like to assure this committee that the fullest co-operation was given by the offices of both the minister and associate minister of defence and the naval authorities to the naval reserve committee in its deliberations and the arrangements made through the authority of the Minister of National Defence and naval headquarters could not have been improved upon. The committee's hearings which took place in 11 centres across Canada attracted a great deal of interest not only from serving reserve officers but also ex-officers of the navy and interested civilian groups such as the navy league of Canada and naval officers association. I am sure that the members of the committee consider that their efforts were well rewarded and the results will be apparent for some years to come in the generating of greater understanding of the problems of planning for defence especially in regard to the naval reserve.

The report of the committee for the R.C.A.F. Auxiliary has not yet been released. However, unlike the naval reserve, there has been no announcement of any change in the policy for this force from that of last December.

It is to be hoped that as there is now further endorsement of the transport role of the R.C.A.F. auxiliary, the disbandonment of some of the squadrons may now be reconsidered. It may be that some centres that have large militia establishments should have local air transport support.

General comments on three reports

It is apparent that many of the findings and recommendations of the three reports will reflect those which have been expressed over the years by the C.D.A. This is true not only for the army, but also in respect of similar types of deliberations which have been carried on by the navy and the air force auxiliary, the principal lesson to be derived from this would seem to be an indication that perhaps these recommendations from what might be called "quasi service groups" are not being given as much consideration as they should be. It does seem unfortunate that since such groups exist and are making reasonable recommendations that a need should appear every so often to have special committees set up to report directly to the minister before proper recognition is given to the opinions and recommendations of experienced officers through such groups concerning the organization and role of particular units and services.

Of those recommendations, on which there is general concurrence, we trust and hope that this defence committee will also agree, and the D.N.D. will be urged to proceed. Where the C.D.A. disagrees with the Suttie report, we trust you will give our remarks your sympathetic consideration.

Our further comments regarding the Hendy and Draper reports, and any criticisms that we may have with part II of the Suttie report, will have to await their release and publication. We would be pleased to offer our comments to this committee at your pleasure.

It is noted that to date only Part I of the Suttie report has been released and that part II, which will presumably contain detailed recommendations on the re-organization of the militia, is not yet available. As this was originally to be released last month, and bearing in mind that much speculation and uncertainty now surrounds the future of the militia which is having an adverse

effect on morale and future planning, it is earnestly hoped that the release of Part II will not be long delayed. It should also be pointed out that the future of certain naval reserve units has been announced as being affected by the findings of the Suttie report, this in the further opinion of the C.D.A. makes the early release of the Suttie report not only desirable, but essential.

Thus, any delay beyond next month will militate against the preparation of a training programme for the forthcoming training season.

Advisor on Militia (AOM)

I now propose to comment on two matters not directly dealt with by the Suttie report. The board of officers chaired by Major General Howard Kennedy, carefully considered the question of an A.O.M. and in its 1954 report, by recommendation No. 3, the appointment of a full time A.O.M. was recommended and the reasons given. General Letson was appointed A.O.M. and served until his retirement in 1958. No successor has since been appointed. The duties, functions and responsibilities of the A.O.M. were incorporated in Canadian army order 55-6, and paragraph 4 (a) thereof reads as follows:

> The Adviser on Militia (A.O.M.)—The A.O.M. is an officer appointed to advise the chief of the general staff on all matters concerning the Canadian army (militia). He has no executive responsibility. The A.O.M. will, in addition to advising the chief of the general staff, be responsible for:
>
> (i) rendering assistance on militia matters to the branches and directorates at A.H.Q.,
>
> (ii) examining problems affecting the militia and advising on the implications arising therefrom,
>
> (iii) effecting liaison with officers commanding commands on the implications of orders and regulations with respect to militia units,
>
> (iv) assisting and advising officers commanding commands on the interpretation of A.H.Q. policy regarding the militia,
>
> (v) representing the A.H.Q. at meetings of the conference of defence associations and corps associations.
>
> The A.O.M. may deal directly with staff officers at A.H.Q. on all matters concerning the militia.

It is a fact of recent military experience that major changes in training, organization and concept of the employment of military forces have occurred with considerable frequency, and this trend appears likely to continue. The militia, being a component of the Canadian army, is subject to the same trends, therefore the need exists for a senior experienced officer with militia background in the appointment of A.O.M. to ensure that maximum effectiveness of the militia is maintained in these changing circumstances so that there will be the least loss in morale and efficiency. As an example, the conference feels that the changes made in militia roles with the introduction of national survival and the special militia training programme would have gained if the appointment of the A.O.M. had been filled when these programmes were introduced.

Some of the major advantages which would accrue in the appointment of A.O.M. may be indicated as follows:

1. Morale would be improved by awareness by the militia of the existence of a senior officer at A.H.Q. whose sole responsibility is his militia role.
2. The importance of the militia's role and its essential part in the defence programme would be more effectively placed before the public.

3. The A.O.M. would perform the role of inspector general of the militia.
4. The A.O.M. would assist in the formulation and co-ordination of policy insofar as it affects the militia.

For several years now, the C.D.A. has been recommending the appointment of an A.O.M., and as a result of favourable encouragement by A.H.Q., submitted a list of recommended officers.

Due to the lack of an appointment by A.H.Q., and now the prospect of integration advanced by the white paper, the C.D.A. requests that the A.O.M. be given tri-service responsibilities.

Canadian Honours and Awards

It is also interesting to note that in one or two cases the commission suggests some form of award or recognition for service in the reserve but does not go further than this. While agreeing with this principle the conference would also like to remind this committee that it has, for the last several years, made a strong recommendation to the governments of each time to institute a system of national awards not only to service personnel but to civilian personnel as well, which would be a tangible recognition by the country of service to it. At the present time there is a great deal of talk about national symbols and distinctive Canadian emblems. It is the feeling of the conference that this would be an opportune time to therefore consider a form of award by the government for meritorious service along the lines which the conference has put forward for the last few years at its annual meeting.

Canada, probably alone amongst sovereign nations of comparable status in world affairs, is without a distinctive national award or honour appropriate for recognizing service of particular meritorious or devotion to the country rendered by citizens of all pursuits and endeavours.

During war years the granting of non-operational awards not only to members of the services but to civilians who rendered exceptional service to the war effort and the country has been followed. It would seem that if such awards are appropriate in time of war, when the exertions of everyone should be directed toward victory without any other reward, that in time of peace (or at least undeclared hostility) some recognition of extraordinary and exemplary effort is even more justified. Surely under our system of voluntary effort, which extends not only to recruitment in the services but also to the business community in making many senior executives available for government service at a nominal remuneration, some way of recognizing notable efforts on behalf of the nation would not be amiss.

Arising out of the foregoing, of course, is the absence of a means to recognize outstanding citizens of other countries who may have made some contribution toward this country, or to whom it is desired to accord some recognition by the government. For example, it might be desirable to award to American servicemen who have assisted Canadian forces in rescue or exploration work a distinctive Canadian decoration. The absence of some method of according such recognition by the Canadian government to nationals of other countries has, I understand, resulted in Canadians who might be considered by other countries for recognition of this type having to refuse an award from such other countries and this seems not only an unfortunate situation but perhaps also one creating some embarrassment.

The institution of some distinctive Canadian award would be a matter of a little expense as the value lies not in the intrinsic value of the item awarded but rather the more intangible ways in which such recognition would be regarded. In this regard it is still customary to grant to Canadians such honours as the coronation and jubilee medals. While these awards approach somewhat the

principle behind the resolution which the conference is putting forward they are, of course, only available at infrequent intervals and only in association with the particular event being celebrated. Also they are not distinctively Canadian in their origin. Such awards, of course, are not available to non-Canadians which, apart from any other aspect of this matter, detracts from their appropriateness.

In the belief that any submission should at least provide some suggestion for solution or implementation, we would submit that perhaps the solution to this matter might rest in the implementing of the issue of an award similar to the order of the British empire with civil and military divisions, and possibly degrees or classes. Military awards to be issuable to all ranks.

The C.D.A. has for many years advocated the institution of some form of Canadian honours and awards. There is broad support for such an award throughout Canada, and merely as an example, reference is made to editorials in the Toronto *Globe and Mail* of January 6, 1964 and the Toronto *Daily Star* of January 4, 1964.

The C.D.A. brings this question forward now, in the hope that it will receive the favourable support of this special committee on defence. With your support and co-operation, a stimulus to implementation will be made.

Concluding remarks

We trust that the above procedure of commenting on current developments has been a useful method for transmitting to you our general views on defence.

It is popular now to examine defence policy in the light of priorities (white paper p. 24). We can afford only so much of our G.N.P. In their wisdom the cabinet apparently have stabilized our defence budget at about 1½ billion dollars. The MND has stated that we must increase the equipment slice to 25% (white paper p. 19) and this means a reduction in plant and personnel. He has announced reduction in all three services and this has resulted in some fast footwork in all areas to avoid the axe. The M.N.D. has announced a proposed $15,000,000 saving and a 20,000 manpower reduction in the militia. Notwithstanding this, it should always be kept in mind that dollar for dollar, the best defence investment value is the reserve serviceman.

The trend among our allies is to a more flexible capability and for example, in the last two years the USA has increased its regular divisions from 11 to 16 and its strength from 870,000 to 976,000 men. (*Time* 3 July '64). In view of the importance of conventional strength, the Canadian mobilization base should not be destroyed. Economies should first be attempted in the area of organization and administration, and general efficiency. It is to be hoped therefore, that this defence committee will join with us in a plea to the D.N.D. to attempt to retain the numerical strength of the reserve forces, and to make the dollar saving necessary by increasing efficiency, organization and administration.

It is hoped that increased publicity will force attention on these problems, and that this defence committee will contribute to public approval of these worthwhile aims.

The CHAIRMAN: Thank you, Colonel Learmonth. We now will proceed with questioning. Mr. Temple.

Mr. TEMPLE: Mr. Chairman, may I ask whether all the gentlemen present here today are unanimous in presenting this report?

Mr. LEARMONTH: That is right.

Mr. TEMPLE: I believe Colonel Legge also was a member of the Suttie commission. Do I take it, then, that the Suttie commission was not unanimous in its findings?

Lieutenant-Colonel B. J. LEGGE, E.D., Q.C., (*Vice Chairman, Conference of Defence Association*): Mr. Chairman, I take it that the report of the Suttie commission is a document evolved on the principle of cabinet responsibility and solidarity. I take it that the same doctrine applies to the paper which emanates from the Conference of Defence Associations. On the Suttie commission we all are responsible for the report. I do not think every member of the commission is responsible for every word used, but he has to accept responsibility because of his membership on the commission. I have to accept responsibility as a member of the executive of the Conference of Defence Associations, so in that sense I am responsible.

Mr. TEMPLE: On page 12 of your submission, paragraph 1 states:

> On page (i) you will note that the members' letter states that the 'resultant recommendations have the endorsement of each and all of us'. We are all naturally aware of the problem in obtaining the unanimity of ten members in many recommendations.

It seems to me that there very definitely is unanimity. Is it unanimity of just a half measure, or is it complete unanimity? I do not see how this can be reconciled with your unanimity today as members of the Conference of Defence Associations.

Mr. LEGGE: I do not see any embarrassment. Perhaps this is a poetic way of putting it, but the group concerned is responsible for the document in each case. I do not think you could say that any ten persons would have identical knowledge, usage, or appreciation of any word; but they are responsible for the conclusion. I certainly am responsible for both documents.

Mr. TEMPLE: But where do you disagree?

Mr. LEGGE: I disagree, I think, with the poetry of the word "unanimity". I do not think minds meet identically on any point.

Mr. TEMPLE: Where do you disagree between the two documents; that is, the report of the Suttie commission and this presentation this morning?

Mr. LEGGE: I do not disagree with either, because I am responsible in part for both.

Mr. TEMPLE: There certainly is a divergence between the two documents.

Mr. LEGGE: If I may use an analogy, in the cabinet a cabinet minister would be responsible for the policies of the cabinet, and also in caucus he would be responsible for the policies of the caucus, and they may not always be identical.

Mr. TEMPLE: Do you agree there should be 50,000 men in the militia, or 30,000?

Mr. LEGGE: I do not see where in these reports it mentions either of these figures.

Mr. TEMPLE: Do you think there should be the present number of personnel in the militia, or a substantially reduced number?

Mr. LEGGE: I agree with the policy of the Conference of Defence Associations as put forward by the Chairman this morning, that there should be an efficient use of manpower. I am forbidden to comment on the number, because part II of the Suttie Commission Report is not yet issued.

Mr. TEMPLE: According to the statement of the minister Tuesday, it is approximately 30,000.

Mr. LEGGE: I believe that figure was given out by the Minister last December and reiterated in January, and this was taken as a yardstick rather than as a definitive sum.

Mr. TEMPLE: Do you agree that the present role as outlined by the Minister of having the militia revert primarily to a military role rather than a national survival role is a correct one?

Mr. LEGGE: I think both the Suttie Commission and the Conference of Defence Association support that view, sir.

Mr. TEMPLE: On page 18 is the following statement:

> It is regretted that the militia commission did not deal at any length with the usefulness of the militia as a force in being for a 'brush fire' or conventional war and providing a pool of personnel which could back up regular units called out. The conference feels that this is an important aspect of the role of a militia and one that should be developed. Perhaps this omission is explainable by reason of there being no specific reference to this point in the terms of reference.

Does not the very fact that there is the emphasis on the military rather than on the survival role really point this up; that is, that emphasis is being given to it because the "brush fire role" is the primary one?

Mr. LEGGE: I agree that that interpretation could be made, and certainly it is my feeling; but, I do not know what is the Minister's reason for reversing the militia role.

Mr. LAMBERT: Mr. Chairman, my question is related in part to what Mr. Temple said in the latter portion of his remarks. It seems to me that the brief of the Conference addressed to this committee last December accepted in principle the, shall we say, establishment of the militia as it stood at that time, rather than as it came about, shall we say, that very same day. In the brief on page 10 in the concluding paragraph it says:

> In summary, therefore, the conference's position is that the justification for maintaining reserve forces in at least the present level is fully warranted on the merits and does not rest on grounds of tradition or sentimentality alone.

That day the establishment was cut back to 30,000, as a rough figure. I am wondering what is the view now of the Conference of Defence Associations with regard to the role and concept of the Militia? Is it as stated in the brief of December 5, or is it within the terms of reference to the Suttie commission as contained in Appendix A of the Commission's report? This also has particular reference to the emphasis on page 9 of the Conference of Defence Associations brief regarding survival operations and survival training. In the terms of reference it is obvious that survival training is being downgraded and is almost out. I would like to know where you stand with regard to this.

Mr. LEARMONTH: I do not think the suggestion is that there is any inconsistency in these two briefs. We stand by the brief of December 5; we do not think the over-all strength of the reserve forces should be cut. There may very well be some changes that should be recommended with reference to efficiency, but we feel that the over-all figure should not be cut.

Mr. LAMBERT: In other words, there should not be a cut from 50,000 to 30,000?

Mr. LEARMONTH: That is right. I might point out that there has been no cut. This figure given by the Minister in December, as we understand it, was more of a target figure, or a suggestion. He did not announce a cut. He only announced a figure which might be a target.

Mr. LAMBERT: But the Suttie Commission does feel it comes within its terms and certainly the Associate Minister in his declaration indicated it was the 30,000 figure.

Mr. LEARMONTH: There has been no acceptance by the Suttie Commission of that reduction.

Mr. LAMBERT: Subject to returning to this, I would like to get into an elaboration of the Defence Association concept of the role of the militia. As they see it, what is the purpose of the militia, and how can it accomplish that purpose? This is what interests us.

Mr. LEARMONTH: I think we would agree with the roles as set out in the terms of reference, subject to some elaboration. We would disagree with the figures; but speaking of the roles he sets out, I do not think they are inconsistent with our position. We feel there are many roles for the reserve; it is a question of emphasis and numbers.

Mr. LAMBERT: The terms of reference outline definite figures. Starting at the third paragraph on page 43, there are the figures 9,000, in the fourth paragraph 18,000; then 2,500, and then 1,500. In the third paragraph on page 44 it states:

> Based on studies of the continued requirement for the militia, it is concluded that a strength in the order of 30,000 officers and men is required to fulfil the above roles.

I take it that the Conference of Defence Associations does not agree with that.

Mr. LEARMONTH: That is right. That is the guesstimate of the department in respect of figures. We disagree with those figures, although we might agree with the roles.

Mr. LAMBERT: There are two reasons for disagreeing; obviously there is a realignment of priorities by the Defence Associations in respect of this because if the department has come up with this figure of 30,000, obviously they have established a level of priorities in their minds. What are your priorities with reference to figures?

Mr. LEGGE: I think the position of the Conference of Defence Associations is that there may be nothing wrong with the figure of 30,000 to do jobs, but in order to have 30,000 effective people to do those jobs in the militia, of necessity you must have more people than that. In order to select the people and put them in those jobs, I think our view is that you must have more people.

Mr. LAMBERT: Would you elaborate on that; let us do it in more detail. In the appendix it says that the placement of regular army personnel in the logistics and static establishment would require 9,000 men. Do you agree with that figure, or do you not?

Mr. LEGGE: I have no way of disputing the figure. I think, probably, it is an expert's figure produced by the department.

Mr. LAMBERT: May I suggest that if you take the 9,000, the 18,000 and the 2,500, which totals 30,000, and take all these people out, then by a look at these various appointments you would then have nothing left; if there were to be a continuing militia establishment, logically you would have to have more than 30,000 people envisaged for these appointments. I think this is the picture envisaged by the Conference of Defence Associations. If there is to be continued a militia there logically will have to be more than 30,000 people on these particular appointments. I think this is the position of the defence association.

Mr. LAMBERT: At what strength do you feel the militia should be kept in order to fulfil this requirement plus the others the defence association has in mind?

Mr. LEARMONTH: Commodore Hendy will perhaps comment in this regard.

Commodore ROBERT I. HENDY, V.R.D., C.D., Q.C. (*Naval Representative on the Executive of the Conference of Defence Associations*): What I have to say really applies to all reserve forces under our system in Canada. Enlistments are all voluntary and we find, as with all reserve forces, the turnover is very considerable. One cannot have a man in a unit today who becomes part on the defence plan because he is not worth anything. He has just got a uniform on. He has had no military training and not equipped to fulfil a function. If the requirement is to have 30,000 militia men, all trained personnel, because of our turnover, because of the length of time it takes to make an effective reservist, which is far longer than a regular forces man obviously because of the limited time available, you must have an overrun of personnel in your militia compliment in order to meet this 30,000 figure. If that is the effective figure of people who can fill the appointments in the defence plan the over-run might be as high as 20 or 30 per cent. I believe this is the philosophy that reserve force people use to approach the strength figure. We say that is the need for this particular reserve component on mobilization. At any particular time how many of those individuals do you have? You have to look at your list, and you find there is no question but that you have a lot of reservists who are ineffective because of the short time they have spent in a unit.

Mr. LAMBERT: Is it fair to say then that the conclusion drawn at the time the minister made the statement, that there would be a reduction of 50,000 30,000 with a consequence savings of funds does not represent a correct assessment of the position as the defence association sees it?

Mr. HENDY: That is a difficult question to answer without knowing the exact figure, and perhaps a sailor should not get into this question. I believe probably the militia may be placed with an establishment of 50,000, but perhaps there are not 50,000 militia men. I think the minister's figure indicated that there should be 30,000 effective militia men. Unfortunately, an ineffective militia man is still a burden on the exchequer because once he enlists he is drawing pay for his training. Perhaps this is something that should be changed so far as the administration of pay is concerned. We have made some comment about this situation but the fact remains that you do carry him a long time on pay before you can really say he is effective and can fill a slot in your defence plan.

Mr. LEARMONTH: Perhaps I can make the observation that the emphasis is placed on the wrong figure. The minister gave two figures, money and men. We feel there should be more emphasis placed on the money figure. If a money reduction is absolutely required for budgetary reasons we feel that this saving should first be attempted in other ways than by a reduction in personnel. We feel that the saving could probably be made up in other ways than by a reduction in numbers.

Mr. LAMBERT: I will leave that subject now in the hope that someone else may develop it.

Mr. TEMPLE: I should like to ask a supplementary question. May I take it then from what you say you need some 20 or 30 per cent more than the 30,000 in order to have an effective militia and only 70 or 80 per cent of the present militia force is effective?

Mr. LEARMONTH: It is common knowledge that when you enlist a man he is not ready to go out in the front line. At any given time in any given unit there is a mixture of personnel at various stages of training. If you require X number of men for your force in accordance with your role then you need X plus Y on strength because some are in other phases of training.

Mr. TEMPLE: Then a correct ball park figure in respect of the number of effective personnel would be 70 to 80 per cent?

Mr. LEARMONTH: If that is your definition of effectiveness, yes.

Mr. TEMPLE: You are giving these figures and I wanted to make sure we understood them.

Mr. HENDY: I think the same principle applies to the regular force. As of today we have an effective force in being. We have so many antisubmarine vessels able to take offensive action at an instant at sea. We have our brigade in Europe and a standby brigade here. We have an air division in Europe and an air force squadron in NORAD. They are already today but they must have a tremendous backup of people who perhaps are not effective today but must be in the stream so you can always meet your needs. We are not involved in a situation where we can say we are purely and simply going to have 5,000 combat soldiers in a brigade in Europe, and that is all you need in the army. They cannot stand by themselves. There must be a pool of reinforcements, and this includes training schools and the necessary administration to back up and keep this force in the front effective.

Mr. TEMPLE: So, if we have 60,000 men, for example, in the regular Canadian army naturally they are not all combat troops and not all fully effective. If you have 30,000 men in the militia, as has been suggested, it is probably contemplated that they would not all be effective. Perhaps 25,000 of those men would be effective while the other five would be in the process of being trained; is that right?

Mr. HENDY: Yes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, I wonder whether it might be in order at the outset to congratulate these gentlemen from the Conference of Defence Associations on the tremendous amount of work which they have obviously put into the brief they have submitted to us this morning. I at least would like to do so, and tell them we appreciate their continuing interest in the defence forces of our country.

Having said that I should like now to ask one or two questions.

At page 10 of the brief, in the second last paragraph, in a letter addressed to Mr. Sauve some months ago, you discuss the development of the unit of thought between the three services. In the last sentence you indicate that the separate identity of the various services should be maintained. I am wondering whether you will elaborate a little in this regard. I understand that you probably are discussing the recent move toward integration of the services. Would you give us some idea of your view in this regard and tell us to what extent integration should or should not take place.

Mr. LEARMONTH: This question has received a good deal of airing, as you are aware. I do not think that the conference wishes to become involved particularly in any controversy.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Is there a unity of thought in respect to this question?

Mr. LEARMONTH: Notwithstanding this fact, there is no objection so far as I know within the Canadian Defence Association to the principle of integration of defence headquarters. We would not support integration at the bottom.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Would you define that for the committee?

Mr. LEARMONTH: I think that is a fair statement at this time. We must of course see any plan put forward. We have not seen any as yet, and I do not believe the members of the committee have seen any proposal of this type. We have only seen a plan of integration at the and we do not dispute it.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): There is a vast field between the top and the bottom in this matter and I am wondering where one begins and the other ends, in your view. I take it you do not have a unit of thought on this question and prefer not to go any further?

Mr. LEARMONTH: We would join you in wondering where it might end.

Mr. LAMBERT: I should like to ask a supplementary question. Is there a distinction in your mind between the words "unification of command" and "integration"? You refer to integration at the top command. Do you really mean by that unification of command, whereas "integration" means putting everything into one group from the top to the last man? Is there a distinction in your mind?

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I presume the time element enters this question as well.

Mr. LAMBERT: I am wondering whether there is a distinction in your view in this regard.

Mr. LEARMONTH: I am not sure I understand your question. It involves a matter of semantics, I suppose. We support the present bill whichever way you interpret it.

Mr. LAMBERT: Do you call its intent "integration" or "unification of command"?

Mr. LEARMONTH: I think you can call it whatever you want. I think this involves a question of semantics.

Mr. LAMBERT: Other people do not think in that way.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I think this involves quite a large question and I am wondering whether you have any hard and fast ideas about it. As a group apparently you do not, but am I correct in assuming that you want to see where things are going, the time involved in getting there and that sort of thing?

Mr. LEARMONTH: I think that is correct. If you would like our views on this question when there is more information available we would be very pleased to consider the matter and present our views to you.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Your view in that regard would certainly be of interest to me. I cannot speak on behalf of every member of the committee.

Mr. SMITH: Your position in this regard is that the end result is speculative, and I refer to the direction integration or unification is moving; is that right?

Mr. LEARMONTH: That is true. We are as much in the dark as anyone else.

Mr. HENDY: I think we must look at the realities of the situation. At the present time enlistment in the regular force is for two or three years and to teach an individual a trade in one service, or one part of a service, is a full time job. After training that individual we must receive a dividend. In that respect we do not have time to teach an individual more than one technique. It is true that a combined force, such as the United States marines, which have been used as an example of the type of thing that is proposed, is what we are seeking to achieve.

Mr. ASSELIN (*Notre-Dame-De-Grâce*): Perhaps I could interrupt you at this point. You mention in your brief support for mobility and air transport. Do you feel this may be handled by two services or by one service, and I refer to the transporting of an armed unit by air, for example.

Mr. LEARMONTH: Perhaps I should let the group captain deal with this particular point in respect of the role of the air force reserve.

Mr. DRAPER: Mr. Chairman, the role of the air force reserve at the present time is one of light air transport and search and rescue as well as co-operating with the militia or regular army or other regular service, in any survival operation or national natural disaster of a type such as war or anything of that sort.

In respect of the air side of the question, and that is the mechanics of delivering people or freight from point A to point B which involves the ability to fly aircraft to the standards as set down by the regular air force and to maintain those aircraft with a ground crew, that is at present the job of the reserve air force. The reserve air force as such is capable, willing and eager to assist in any way in respect of a national survival effort or with corps training. As a matter of fact, the auxiliary air force as at this time at Camp Gagetown is co-operating with the army on an exercise doing actual air reconnaissance of a photographic type. So, it is a pretty wide thing. We are working now with the other services.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You do not have integration at this level, but I am thinking of pinpointing a particular task arising out of activities which hypothetically might take place. I am wondering whether the Conference of Defence Associations has any feeling whether this should be handled by an integrated service, or by two separate services. For instance, if you have an army unit operating in close co-operation with an air unit, or mobile unit, should these be integrated? I agree this is hypothetical, but I would like to find out how close to the bottom your ideas come and where you object to integration.

Mr. LEARMONTH: Your question applies primarily to the navy and perhaps Commodore Hendy might like to say a word.

Mr. HENDY: I think it is a question of compatibility. This is in the realm of semantics and I do not know what is finally involved. In our service we always have been triphibious. The first troops in Korea were sailors and we always have had an air arm, or at least for many years; but that is for the particular purpose of the naval maritime commitment. However, I think what is desirable is to avoid going up to the top in one service and coming down to the bottom in another service, instead of being able to go across at some ordinary level to get the facility. Recently the army service corps has taken over the supply of food for the navy which is a reasonable thing to do; they have a larger organization, and food is food, until the cooks get hold of it. If a colonel at one level wants some air support, he should not have to go to air force headquarters to get it and back down.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): On the whole, I believe the navy approaches this with a little misgiving.

Mr. HENDY: No. I thinks it is first that the reality of the situation is that you must have unification of command with regard to compatibility of use of weapons and personnel at every level, but when you come to talk about a unified force where every man is going to be a soldier, a sailor and an airman, this is not going to happen because you cannot have everyone given the ability in every trade, because they are not compatible.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): May we turn to another subject? We might continue with the discussion concerning roles. At the top of page 11 I note:

> The role of the reserves in providing for local defence or tasks connected with national survival or disaster is as important, or perhaps more important, than ever before.

I think this is in some contradiction to the new roles as outlined in the terms of reference by the Department of National Defence and given to the Suttie commission. From your letter it would appear that you feel one of the major roles of the militia should be survival. I note that this role has been cut down rather materially. I am wondering whether the Conference of Defence Associations has any observations on this?

Mr. LEARMONTH: If we had a crystal ball and knew what would happen—

Mr. ASSELIN (*Notre-Dame-de-Grâce*): If we had one we would not have you here.

Mr. LEARMONTH: —in the next war, then we would know what role it would be best to prepare for. It is a question of judgment with regard to which role is the more important. It is very difficult to weight them; some people weight them one way, and others another. They all are of importance.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): It would appear that there will be a tremendous reduction in manpower in the national survival role.

Mr. HENDY: From my experience in the Conference of Defence Associations, and from hearing the army representatives year after year, I am satisfied that the militia will be absolutely delighted with the fact that they are going back to soldiering.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Personally, it pleases me, because having in mind the physical make-up of the militia and its concentration in target centres, their role of re-entry was not a realistic one.

Mr. SMITH: Of course there are militia units outside the big cities.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I have a question for Colonel Legge. I am wondering whether he might tell us why the Suttie commission did not invite the Conference of Defence Associations to present its views?

Mr. LEGGE: This is a terribly difficult question. I am not at liberty to speak for the Suttie commission, but I think it is fair to say the commission felt it had to get evidence from varied sources, and the people the commission did interview were serving people in the militia, the regular forces, and that sort of thing. We did not go to the Conference of Defence Associations, or to the defence study group, or to any other people concerned with defence.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): There is no deep dark reason.

Mr. LEGGE: There is no obscure reason at all; it was simply a matter of time, and so on.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): With reference to paragraph 28 on page 15, I am wondering whether you recommend the block system, or the one recommended by the Conference of Defence Associations?

Mr. LEGGE: Surely, both these modifications to the present pay system are a matter of opinion. There must be ways of improving the present system which exists. I think the Defence Committee will consider a way of improving it and I would support either. They are put forward as improvements of the present system, and I think we all agree in the Suttie Commission and in the Conference of Defence Associations that the present system of pay in the militia is bad and can be improved.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In paragraph 35 on page 17 the Conference of Defence Associations takes exception to the contentions or suggested contentions of the Suttie commission, and suggests that the Conference of Defence Associations can do the job better and cheaper. I think that sums it up.

Mr. LEARMONTH: Yes, sir.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Could you tell us what it costs the people of Canada to operate the Conference of Defence Associations on a yearly basis?

M. LEARMONTH: I do not have the figures.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Can you give me an approximation of the grants which may be received by the conference across the country?

Mr. LEGGE: I think it depends what you mean. I think the corps associations which are the constituencies for the Conference of Defence Associations cost something in the order of $40,000, and on top of that the conference has another pool of perhaps $10,000 or $15,000, so we are operating at a rough figure of $50,000, but I would not wish to be held to that figure.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Which group do you feel should do the job as outlined in paragraph 35, the Suttie commission or the Conference of Defence Associations?

Mr. LEGGE: I hope you will have an equally embarrassing question for Group Captain Draper who wrote the air force report, and Commodore Hendy who wrote the navy report. I can say only that I am bound by both reports, and I feel that I am submitted to a dichotomy right now and really could not answer.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Does the Conference of Defence Associations feel strongly about this article 35?

Mr. LEARMONTH: Yes; we feel it is wrong in principle.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Thank you very much.

Mr. MCMILLAN: I was interested in the answer to the effect that the executive was not consulted at all by the Suttie commission. Where would they obtain the necessary information which you would have?

Mr. LEARMONTH: I do not know whether you are referring to facts or opinions. Most facts, figures and statistics, I presume, are available to them from the regular forces; but it is the questions of policy and opinion which in our opinion they decided on a narrow approach, whereas we feel a broader approach to the problems may be perhaps more rewarding.

Mr. MCMILLAN: Are they incorrect when they say they received co-operation from your executive, except where you say you suggested that you appear?

Mr. LEARMONTH: We gave them a luncheon to show them we were willing to co-operate.

Mr. LEGGE: No business was transacted.

Mr. SMITH: Where the figure of 9,000 is given in the Suttie commission report, are we right in assuming that when you provide that number, you would need a certain percentage, perhaps 25 per cent, in excess of that?

Mr. LEARMONTH: Some percentage over that. We do not want to feel tied to a figure.

Mr. SMITH: But it would be a reasonably substantial percentage over?

Mr. LEARMONTH: Yes. I do not know what they had in mind when they produced these figures.

Mr. SMITH: We hope to obtain this information next week. Assuming these are approximate figures, if you wanted 9,000 men for a particular role, the militia should have something in excess of that, perhaps 12,000. Is that a reasonable assumption?

Mr. LEARMONTH: That is right.

Mr. HENDY: Further to that, I think Mr. Smith's question is related to the effectiveness of these people. If we can devise some means by which we may hold men in the reserve forces and replace the turnover we now are

experiencing, then of course the percentage would be much less. Going back to before the war, particularly in the naval reserve and the Unit I was in, we always had a waiting list and our percentage of effectiveness was very high. We would like to see leadership from the government and the people of Canada in respect of a realization that the reserve forces are important, and that being a member of the forces is an honourable vocation for the younger generation to take part in as a part time service to their country. This would help a great deal to reduce the turnover.

Mr. SMITH: Even though you have a very high degree of efficiency in training you cannot send every trained man forward and hope to continue; is that right?

Mr. HENDY: No, but your short fall would be less. If you have a high percentage of efficient men you do not have to have such a large over-run to take care of those who are not effectively trained.

Mr. SMITH: At page 18 of the brief you refer to the usefulness of the militia as a force for a brush fire or conventional war. Has the defence association ever given consideration to the mobilization of the militia unit at a time when there is less than complete or general mobilization? I refer to the difference between the Canadian militia and the national guard in the United States in respect of which the units are completely mobilized and active for periods of time when there is no general mobilization.

Mr. HENDY: Mr. Chairman, I think members are aware that this is conditioned on the law of the country and the forces are regulated by the National Defence Act and the Emergency Measures Act, of course, and that type of legislation. How far we can turn around and say to the militia unit "you are called out", when there is no declaration of a state of emergency is something I do not know.

Mr. SMITH: That does not quite answer my question. I asked you if you had any opinion whether a change in the law of this type would be a desirable or undesirable change.

Mr. HENDY: My opinion is that if the militia units, or a particular militia unit, were asked to provide a certain number of personnel for a particular job on short notice you would find that they would provide them. This would be entirely dictated by the circumstances, but we refer in our brief to the situation that happened during certain natural disasters such as hurricane Hazel in Toronto and the Red river flood. My own experience in this regard is that in one hour we had over 300 sailors in boats out in the disaster area, and this was at seven o'clock in the morning. They went out and there was no question of whether they were to be paid or not. We were told there was a job to be done and we had to do it, and we went out and did it.

I think this is the sort of support that normally permeates reserves. The main question is, how far do you want to go in numbers.

Mr. SMITH: Under different circumstances the period of call out could be longer. If the militia is to be useful in an emergency situation, perhaps of an extra difficult national character, you would have to have the call out in terms of longer than a few days.

Mr. HENDY: It is understood, I think, by most militia people that they can be called out if the proper measures are taken. This is part of their understanding when they join the militia or join the reserve. I do not think they join the reserve to avoid this type of responsibility but rather accept it as something that may be required. They regard it as being the job. What is the legislation that will make this effective and bring these men out? Certainly when asking a man to leave his job and go out for perhaps several months you must have an entirely different concept than in asking him to go out for a week or so.

Perhaps Group Captain Draper could answer this question, because in the auxiliary air force it is traditional that their flying officers may be called out very suddenly for a week to assist in rescue operations and things of that nature. This is part of the terms of their enlistment.

Mr. DRAPER: I think there are two ways one can deal with this situation. If you are speaking, let us say, in terms of an operation similar to that presently going on in Cyprus in respect of which you require people for perhaps three months, there are two ways of accomplishing this. I believe that under the present legislation you could ask for volunteers from across the reserve components and expect to get a significant number who would be willing on a purely voluntary basis to take time off from their civilian occupations and go.

There is one other way of accomplishing this, and that is by amending the National Defence Act, making it a condition of service that when the bell rings you must go. That must then be a part of the terms under which these people join.

I can only speak personally in respect of my own units and organizations in saying that we can supply people under the first arrangement now for periods up to a year with no change in the National Defence Act, and that we would be more than willing, if the National Defence Act were changed, and if it was changed it would presumably be changed along the lines of the National guard act incorporating some of the safeguards in respect of employment, to agree to the change so that when we were called upon we would answer. That is the name of the game and it should be that way. The government should receive some payoff in respect of its reserve forces and should have these reliable individuals in these forces. I am sure my associates in the reserve air force join me in that feeling.

Mr. SMITH: Do you feel that if the National Defence Act were amended in that direction it would have a deterrent effect on the enlistment or strength of the militia units?

Mr. DRAPER: I would be rather naive if I thought no one would object to this, and I must say again I am speaking for my own service, but the majority of our people would say that is why we are here.

Mr. HENDY: I think these individuals would be delighted to know that this is part of the job. I believe the militia was called out recently in connection with floods at Comox and given an antilooting task. Was there not a number of militia men called out and posted as guards to prevent looting? Such a thing can be done in conjunction with the premiers of provinces who have the power to ask the Department of National Defence to provide personnel.

Mr. MACLEAN: Practically all my questions have been asked already, Mr. Chairman, and I should now just like to deal with two or three tag ends. I will try not to be too lengthy.

Referring to the terms of reference of the commission, I take it, especially, where it refers to roles and numbers, it does not stem in anyway from recommendations made by the Canadian Defence Association in the past, or that they have the C.D.A.'s blessing in any way?

Mr. LEARMONTH: That is correct.

Mr. MACLEAN: With specific reference to these figures given here, I take it the C.D.A. hopes they refer to the effective strength of the militia in various roles rather than total numbers?

Mr. LEARMONTH: I think that is correct. We really do not know what they had in mind when they announced those figures. I think they are ball park figures.

Mr. MacLean: My next question is asked for the purpose of clarification. There has been a great deal of loose reference to the phrase "unification of the services". It seems to me that different people have interpreted this phrase in different ways. Some people think it means integration, creating close co-operation between the three services at various levels while others envisage this to mean complete amalgamation of the three services into one service with everyone wearing one uniform.

Do I understand the witness correctly when I assume that they would agree to what I call close co-operation and integration of that sort between the three services, but that they would not go as far as approving complete amalgamation with the obliteration of the three traditional services as we know them?

Mr. Learmonth: That is correct, but in that connection we would like, before we jump in, to see what the government is talking about. There is no definition of these terms in the white paper, and there has been much loose talk about them.

Mr. MacLean: That is the point. That is all I have to say.

Mr. Brewin: Mr. Chairman, I note that the conference strictly endorses recommendation No. 5 with regard to equipment. Does that endorsement include the endorsation of material in the Suttie Report? It certainly seems to imply that the minimum requirements of equipment are not now available for the militia.

Mr. Learmonth: I think that is correct. I do not know if Mr. Legge wishes to elaborate on it.

Mr. Legge: I think their promise was that the Suttie report was a strong recommendation for better equipment and for more equipment.

Mr. Brewin: Actually the recommendation deals with obtaining a commercial type of equipment, with surplus tanks from NATO. But these are just two recommendations added to the general statement in the report. It says very definitely on pages 9 and 10:

> Training cannot be effective unless there is available to units a reasonable scale of equipment. The lack of equipment in the hands of units or available on a pool basis was a principal criticism in all commands. It is impossible to hold the interest of militia men if they have no opportunity other than in summer concentration to familiarize themselves with the equipment they are expected to use in war. It is recognized that the cost of outfitting units with the generous scale of equipment cannot be tolerated. However there is a minimum requirement which must be met in order to train to the required standards. To expect infantry to maintain interest without their personal and support weapons is unrealistic. The problem increases in severity in direct proportion to the technical specialization of the individual units, that is, signal, armoured, artillery.

I wonder if you wish to elaborate or comment on that? Is it a fact that inadequacy of equipment is affecting the maintenance of interest and the general efficiency of reserve units?

Mr. Legge: I think that the Suttie report is very clear. It was the opinion of the Suttie report that there were serious deficiencies everywhere, and consequently the report made a recommendation to improve that deficiency. Certainly it is the view of the C.D.A. that we wholeheartedly endorse this corrective action which is recommended.

Mr. Brewin: I do not think it would be fair to ask you to go into detail. Perhaps we may do so when we have Mr. Suttie before us.

Mr. LEGGE: I think the brigadier will deal with it.

Mr. BREWIN: I want to get back to another subject we were discussing earlier that would involve some additional expenditure to meet these conditions.

Mr. LEARMONTH: We are suggesting economies, and the Suttie report recommends an inexpensive approach rather than an expensive one. So I think what we are recommending is not a tremendous factor.

Mr. BREWIN: I wondered how realistic the thought was of saving money in the militia. First of all, if you are going to have to make it efficient, to get more equipment and other recommendations which would involve additional expense, and then cutting down of members, does this appear to be realistic? Do you think we are going to function efficiently as a reserve unit? Do you think that any cutting down of expenditures is possible?

Mr. LEARMONTH: We feel there could be a reduction in expenditures in many ways such as in accommodation, the pay system, and so on.

Mr. BREWIN: Might I ask you to be more definite in that? You said earlier in your evidence that you thought there were savings to be made. I am interested to know in what areas you think there are savings to be made?

Mr. LEARMONTH: In accommodation, administration, organization, and in the number of members. We feel there are large savings to be made in that area in the first instance which should be attempted before any numerical reduction.

Mr. BREWIN: Are your recommendations in that respect calculated somewhere specifically?

Mr. LEARMONTH: You are no doubt aware that we have no staff. We have not tabulated or costed any of these recommendations. We have no statistical information with which to support our opinions that we have to present.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Your figures are ballpark figures.

Mr. LEARMONTH: I do not think we have given any figures be they ballpark or otherwise.

Mr. BREWIN: You think there are opportunities for special savings which could be used?

Mr. LEARMONTH: That is correct.

Mr. BREWIN: Without cutting members?

Mr. LEARMONTH: That is correct.

Mr. BREWIN: I notice somewhere here that you envisage a role for the militia in what you describe as peace keeping operations. On page 18 you say:

> The conference feels that this is an important aspect of the role of a militia and one that should be developed.

That is in respect to brush fires or conventional wars. I wonder whether you would comment on that point. Some of us on this committee have received the impression that you need a very highly trained specialized force with which to cope with brush fires and conventional wars. You do not envisage that the militia would be set up and mobilized and sent out to handle any of these brush fire wars, do you? Do you think it should have a type of training which would make a useful contribution in that field?

Mr. LEARMONTH: Our submission says it should back up regular units which are called out.

Mr. BREWIN: Perhaps you might explain what you mean by "back up"?

Mr. HENDY: This applies to the officer services. If you take the regular components and send them somewhere, you will want to back them up. We had an example nearly two years ago when the Americans were faced with the

Cuban crisis. I know they called out a great many of their naval reserve units and put them on active service. They may not have been as completely efficient as we would like to have them, but they were available and they were called out. I think this indicated American determination to resist the communist threat in Cuba. This is the type of thing. Brush fires may easily grow into something greater, but if you show determination at the beginning you may keep them small. But if you do not have anything to back up your words, then anything you may do is apt to be ineffective. I think this is more of a concept that the militia should act to back up the troops when we send them somewhere to do a particular job. It indicates that we have reserves ready to go and fill in the gap.

Mr. BREWIN: Chiefly in Canada?

Mr. HENDY: Yes.

Mr. BREWIN: If you were sending someone away, I take it that the militia would be filling some of the gaps within Canada.

Mr. HENDY: That is within the terms of reference. They say they want to be able to call up three brigades in the event of an emergency and to be able to back up the regular brigades. But they probably would not go into active service. You would not be starting off with nothing. It is pretty hard to build a military force from nothing. You have to have an organization established.

Mr. BREWIN: Thank you very much.

The CHAIRMAN: It is now one o'clock, and time for adjournment. Before we do so, on behalf of the committee I would like to thank Mr. Learmonth and the other witnesses for attending before us today.

Our next meeting will be on Tuesday at 11 o'clock.

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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

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TUESDAY, JULY 21, 1964

RESERVE FORCES

WITNESSES:

The Honourable Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21249—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRea,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, July 21, 1964
(18)

The Special Committee on Defence met at 11:15 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacInnis, MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple and Winch (21).

In attendance: The Honourable Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

The Committee resumed its consideration of *Reserve Forces.*

The Associate Minister supplied information requested at a previous meeting. He also tabled information in reply to an earlier question, by Mr. Smith, regarding expenditures relating to Reserve Forces (*See Appendix "A" to this day's Proceedings*).

Mr. Cardin read a prepared statement respecting the future functions and requirements of the Reserve Forces. He and Colonel McPherson were questioned on that statement and on related matters. The witnesses were thanked and permitted to retire.

At 1:00 p.m. the Committee adjourned until 11:00 a.m. Thursday, July 23, 1964.

E. W. Innes,
Clerk of the Committee.

Note—The evidence, adduced in French and translated into English, printed in this issue, was recorded by an electronic recording apparatus, pursuant to a recommendation contained in the Seventh Report of the Special Committee on Procedure and Organization, presented and concurred in, on May 20, 1964.

21249—1½

EVIDENCE

TUESDAY, July 21, 1964.
11:15 a.m.

(*Text*)

The CHAIRMAN: We have a quorum. Can we come to order, please?

We are continuing our study on the reserve forces. Our witness this morning is the Associate Minister of National Defence. Mr. Cardin will make a few opening remarks, and then we will follow with questioning.

Hon. LUCIEN CARDIN (*Associate Minister of National Defence*): Mr. Chairman and gentlemen, the last time I appeared before your committee as a witness I was asked several questions. Today I am in a position to answer most of them. I have with me Colonel McPherson who will also be willing to answer all factual questions concerning the militia.

Last week Mr. Smith asked whether it would be possible to have a breakdown of the costs of the three reserve forces, the navy, the army, the militia and the air force. I am in the position now of either reading this or tabling it.

Mr. SMITH: I think my question was not quite as you said. My question related to the method by which the additional costs were computed other than direct answers. That was my question.

Mr. CARDIN: Could you repeat your question again, please?

Mr. SMITH: In your statement last week, Mr. Cardin, you said that computations had been made so that a more complete cost of the militia could be ascertained, and that other factors that were not directly attributable to the militia or that had not previously been attributed to the militia, were now added, so that it increased the over-all cost somewhat. It was not just a question of dividing the figures between the air force, the army and the navy.

Mr. CARDIN: I may be answering your question if I give you the naval reserve cost breakdown. Your question may then be answered or it may not. If it is not, we will supply you with the answer. For instance, during the 1963-64 period the total cost was $6 million. This is broken down in this way.

Annual operating costs—Navy reserve—1963-64

Pay for reserve personnel	$ 1,845,000
Travelling expenditure, including costs of R.C.N. travel	361,000
Military personnel costs of R.C.N. personnel employed in support of reserves	1,700,000
Civil salaries and wages	770,000
Food and clothing—reserves	310,000
Repair, upkeep, and public utilities, including heat for divisional properties	327,000
Repair and upkeep of boats and aircraft	105,000
Supplies (including barrack, mechanical, electrical and general stores and stationery) communications, freight, postages and other services	389,000
Commissionaires' services	92,000
All other expenditures	101,000
Total costs	$ 6,000,000

Does that answer your questions?

Mr. SMITH: I think it answers it.

My only question is, could you repeat the salaries of the R.C.N. personnel in support of the militia?

Mr. CARDIN: It is $1,700,000. These are military personnel costs of R.C.N. personnel employed in support of reserves.

Mr. SMITH: Could we, at another time, have a further explanation of that particular figure? I think my question would then be fully answered.

Mr. CARDIN: I have a breakdown for the others, and I will table it if it is your desire.

The CHAIRMAN: We can include these figures as an Appendix "A" to the proceedings today, if that is agreeable.

Mr. MCMILLAN: Could you give us the total for the army and the air force?

Mr. CARDIN: Yes, the militia itself was $37,719,733, and the R.C.A.F. $10,700,000.

Mr. MCMILLAN: Was the navy $6 million?

Mr. CARDIN: Yes.

Mr. LLOYD: As I understand it, a similar breakdown as the one given for the navy, with these headings, will be shown in each of the other headings.

Mr. CARDIN: That is correct.

Mr. LLOYD: Further to that question, and supplementary to it, just to clarify my understanding of the figures here, are these calculations on estimates of many of these items there? Will you not be able to relate these in the public accounts, for example? Do you not take all of the items and break them down in the public accounts? For example, military personnel attributable to the naval reserve activities, $1,700,000, would be lost in the general items of the classification of accounts under public accounts. You would not find this $1,700,000 set forth separately, so that in effect you made an informed estimate of this cost? Is that correct?

Mr. CARDIN: That is correct.

Mr. MCMILLAN: Is that for the present fiscal year?

Mr. CARDIN: It is for 1963-64.

Mr. MCMILLAN: Have you any idea of the percentage that would result from the new arrangements for the decrease in the forces?

Mr. CARDIN: That cannot be estimated accurately.

Mr. MCMILLAN: That would be an estimate for another year, of course.

The CHAIRMAN: The Minister has a further statement to make; I think we should hear that statement first before we start our questioning.

Mr. CARDIN: Mr. Chairman, you will recall that during the last meeting I attended questions were asked concerning the roles outlined for the militia which were included in the terms of reference given to the Suttie commission. There were several questions on that point, and it is to this that I would like to address myself now.

The requirement for the militia has been conditioned by the strategical concept and priority of "forces in being" vis-a-vis the former concept of large reserves as a broad mobilization base requiring time to mobilize and equip.

Studies conducted on the role of the reserves in many NATO armies have indicated that a national levee-en-masse in time of national emergency is no longer considered valid. It will be recognized that modern war, with all the complexities of new technology and equipment, dictates that forces must be highly skilled and "in being" to provide the mobility and flexibility that are essential if forces are to have a high degree of fighting efficiency. Soldiers in

modern war must be proficient in the handling and employment of such specialized weapons and equipment as radar sets, anti-tank guided missiles, surveillance devices, infra-red devices and navigational aid devices. This points up the need for a professional force made up of men who have had intensive training over a considerable period of time. Manpower alone is no longer the answer. Today's concept of field operations dictates a highly trained force ready to move at a minute's notice. Nonetheless, an examination of the Canadian defence position as a whole, clearly shows that although the concept for using Reserves has changed, there is still a continuing and essential requirement for a well-trained militia.

The primary role of the militia is to support the regular army, and because the militia is to support the regular army it would seem to me that the army is the most logical body to decide exactly what role the militia should play. These vital tasks are well within the capability of a well-trained militia. By "well-trained" we mean a militia in which all ranks have a knowledge of the basic subjects of their particular corps—infantry, armour, signals—whatever it may be. In addition they should have a basic knowledge of the specific duties they would be required to perform in an emergency so that they would be ready to assimilate a short period of intensive training which would quickly bring them up to a standard which would permit them to take their place alongside members of the regular army. They would provide trained reinforcements to replace casualties and wastage and would fill out cadres of regular troops in those supporting units which are not required and do not exist in peacetime. They would also be needed to assist in the enforcement of the additional security measures required during a war emergency.

Mr. Chairman, I would now like to elaborate on each of these tasks in turn. First, the militia's task in support of our NATO forces. As I have already mentioned, if the forces in Canada now earmarked for NATO become committed in a war emergency, we would have to form supporting units to provide what is called the "divisional slice". These supporting units range from reinforcement units in theatres of operations to special supply, stores, medical units and other base installations. These are units whose functions are similar to the functions of units in the support organization in Canada at the present time. Examples are hospitals, ordnance depots and static workshops. When a field force moves into the field, the services provided by these static units at home are still needed with the field force to maintain its effectiveness. It will be apparent, however, that it would be very expensive indeed to maintain the required service units "in being" in duplicate.

Hence, our plans for the support units for the field force call for the use of many of the Regulars now serving with the static installations in Canada, augmenting them with Militia; at the same time the Regulars removed from the static installations would be replaced by militia personnel. The field support units would probably not be needed immediately but would be follow up support that would be formed and called forward as the situation demanded. Because of this build-up period, we consider that regulars, augmented by well-trained militia, could be organized and trained to produce highly effective units. Based on our emergency defence plans which are kept under constant review, it has been estimated that some 7,000 to 8,000 militia members are needed to meet this commitment. Additionally, about 1,000 militia officers and men are slated for special types of units not provided for in peacetime. Examples of this type of unit are forward delivery squadrons and graves registration units. Thus, the overall commitment in support of the NATO force accounts for some 8,000 to 9,000 members of the militia.

Next I would like to deal with the need to have militia personnel earmarked and trained for the task of forming and operating the training organizations which would be needed if our two brigades in Canada were sent overseas in

support of our NATO commitment. The role of these training organizations in the initial stages would be to train reinforcements to support the force which has been committed. The existence of a well-trained cadre of militia officers and N.C.O.'s is of paramount importance to effectively permit these units to build up to full establishment. Well-trained militia personnel would be given a short period of intensive training and would then be capable of operating these training organizations. These organizations would also provide in Canada a force which would be available for any unforeseen contingencies. It would be organized into training brigades and would be equipped initially with training scales of equipment. It would be built up in stages as the situation dictates. It is estimated that we would need approximately 18,000 officers and men of the militia for this purpose.

I have outlined the roles of the militia in support of our NATO commitment. However, it must be recognized that operations such as Cyprus could take place before a NATO involvement. It is therefore essential to give consideration to the assignment of the militia to fill the gap in Canada should our regular forces be committed.

Another task which would be assigned to the militia would be internal security duties. In a time of national emergency it would be essential to safeguard key installations such as public utilities, since a disruption in their services due to attack or sabotage could have serious consequences. These plans are kept under continual review not only in conjunction with the R.C.M.P. but with other government agencies as well. The military requirement is really a form of aid to the civil power and would consist of supporting the civil authorities until suitable arrangements could be made for other agencies to take over the task from the military forces. There may also be a requirement to give support to internment requirements and including the provision of guards for prisoners of war. As I have already mentioned requirements and plans are kept under review with other government agencies; the best estimate which can be made now is that these tasks will call for approximately 2,500 all ranks of the militia.

I would like to turn now to national survival. The responsibilities and tasks of the army in national survival have not changed. The army continues to have a responsibility for the re-entry of damaged areas and areas of serious fall-out, as stated in privy council order 656 of 1959. In peacetime the regular army maintains, at a state of readiness compatible with world conditions, the national survival attack warning system; the nuclear detonation and fallout reporting system; and the operation of emergency communication facilities. Plans are made and are kept up to date so that they could be activated fully in time of emergency. Economy calls for manning at essential strength. This strength, while highly skilled, would be able to operate for a limited time only without relief. Therefore, to bring the whole system up to 24 hour around-the-calendar readiness that would be effective in times of emergency it would be necessary to augment the regular staffs with militia. It is planned that selected militia personnel will train with the regular cadres in peace to ensure that they would be of great help in an emergency in fulfilling this important role. Indeed in time of war they might be called upon to relieve, for service elsewhere, the broader-trained regular army personnel. It is estimated that 1,500 militia personnel will be required for this task.

A word now about re-entry operations. It is visualized that the Canadian army including regulars, militia and many civilian organizations, indeed the whole country, would become critically involved. During the past few years the regular army, in conjunction with the militia, have been developing plans and have been training to support the country in the event of nuclear attack. These plans have been developed to the point where they can be kept up to date

in the various headquarters across the country. Furthermore, it has become clear that the main requirement for re-entry operations is formed and disciplined bodies of men which can adapt themselves to meet any task that may be required using large numbers of civilian volunteers. If it is ever necessary to carry out survival operations there is no doubt that the regular army and the militia, including militia not actually mobilized, would be organized and used. It has been further proven that once the basic standard of training has been reached refresher training will preserve the standard. Thus although it is planned that the militia will revert to its military corps skills training programme they will be effective and available for survival operations should the need arise. Moreover, if the regular field force were sent out of Canada to meet our NATO commitments, this would provide further justification for the militia organization to replace these forces. National survival is still a priority within the overall concept I have described. Both the regular army and the militia have the know-how, the adaptability and the equipment to support re-entry operations if required. In addition there will be no degradation in the army's capability to perform its allotted tasks in relation to:

(*a*) The nuclear detonation and fallout reporting system.
(*b*) The national survival attack warning system.
(*c*) Damage and casualty assessment.
(*d*) Maintenance and operation of emergency communication facilities.

It must be emphasized that in the event of an all-out nuclear war, all military forces and other organizations would be employed in survival operations.

Summary

It can now be seen that some 30,000 Militia officers and men are necessary and it is planned to employ them as follows:

(*a*) Reinforcement of Field Forces	7,000-8,000	officers and men.
Special Units for NATO commitments	1,000	
(*b*) Training Force to support the Field Force	18,000	officers and men.
(*c*) Internal Security	2,500	
(*d*) National Survival Installations	1,500	
	30,000	(approximately)

The CHAIRMAN: We shall now proceed with our questioning. Mr. Lambert?

Mr. LAMBERT: I wonder if the minister would be able, in the course of the next few days, to file with the committee a breakdown showing militia units by name or number, their corps or base, and their actual participation in higher formations; that is, prior to any reorganization?

The minister has indicated, I think with some greater clarification than he did the other day, some of the justifications for the militia. I do not know that he has gone far enough in my mind to show the change from the original effective strength of 46,600 to the 31,000 that I make it. But in this field, basing myself on page 377 of the transcript of evidence, the present militia organization calls for an established strength of 155,000 all ranks, with an effective strength of some 46,600. On the basis of the 30,000 to 31,000 effective strength, which is shown within the terms of reference to the Suttie commission, what would be the establishment strength?

Mr. CARDIN: As you know, what we are doing now and what we have done is to try to figure out what the requirement would be and, of course, a figure between 30,000 and 31,000 is what we require. In order to be able

to have that requirement it is possible there necessarily would have to be a greater proportion of people available. However, I do not think it is possible to say just how many more would be required in order to be able to fill that requirement.

Mr. LAMBERT: No, but what I am talking about is an establishment strength of 155,000, knowing that our militia, at the present time, is based, shall we say, on the field strength of units. Those are the paper figures. But, in respect of effective strength, there are 46,000.

Mr. CARDIN: Yes.

Mr. LAMBERT: In order to get your 31,000 what does your paper strength have to be?

Mr. CARDIN: That is what I say is difficult to establish at this time.

Mr. LAMBERT: That has not been established yet?

Mr. CARDIN: No. What we have established is what we require.

Mr. LAMBERT: The conference of defence associations indicated this figure of 31,000, and said what if you wanted 31,000 trained militia men you would require approximately 30 per cent more actual bodies because you would have the difference in gradations of training and you cannot guarantee you have a militia man all the time. Do you agree in that connection with the conference of defence associations or in some variations of it?

Mr. CARDIN: There is no question there would be required a greater body of men, but I am not ready to agree it would be 30% or 20% more, I am not willing at this time to make a guess.

Mr. LAMBERT: In other words, the figure of 30,000 or 31,000 is to be—

Mr. CARDIN: The hard core.

Mr. LAMBERT: —the hard core of the finished product as you want to see it.

Mr. CARDIN: That is correct.

Mr. MATHESON: Mr. Chairman, I have a supplementary.

At the opening of Mr. Lambert's observation, as I understand it, he asked the minister to furnish us with certain information relating to militia units. I wonder at the same time if the minister could add in that report something in respect of the attendance record of these units. Although I do not know how this would be determined I am sure the military would know how this could be done. I put this question because there are some regiments attending man for man almost 100 per cent. I would like to have this information. We are not interested entirely in numbers, names and figures; we would like to know who actually have been parading, say, over the past 1½ or 2 years?

Mr. LAMBERT: I do not agree with that.

The CHAIRMAN: I suggest that when we have Brigadier Suttie before us next Thursday one of the purposes of having him in attendance is to elicit this sort of information.

Mr. MATHESON: Thank you.

The CHAIRMAN: Are you finished, Mr. Lambert?

Mr. LAMBERT: In respect of this field, Mr. Chairman, this is all I would like to ask at this time. If anyone else has any question in this particular area I am prepared to give way because I have other questions to follow.

Mr. HARKNESS: Mr. Chairman, I have questions in this particular area.

The CHAIRMAN: I have a list of questioners and I think I should ask each one if they have questions on this particular area.

Mr. Winch was next.

Mr. WINCH: My question is not related to this particular area.

The CHAIRMAN: Mr. Brewin.

Mr. BREWIN: I am not sure whether my question is related to this particular area and, therefore, I will waive.

The CHAIRMAN: Mr. Laniel? Mr. McMillan?

Mr. MCMILLAN: I wanted to put a question in respect of the numbers. Is that in this area?

The CHAIRMAN: Yes.

Mr. MCMILLAN: I think the minister said it would take 8,000 or 9,000 militia men to support the NATO forces. Does that mean when men join up in the militia they would be signing up for overseas service and, therefore, are under an obligation to go?

Mr. CARDIN: No. this would be in time of emergency, and when our regular forces would have to leave the country, then the militia men perhaps would be mobilized at that time.

Mr. MCMILLAN: Then how would you support the NATO forces if the militia was not ready to go overseas?

Mr. CARDIN: They would be mobilized, I presume, under emergency war conditions. We now are talking about the militia being trained in order to take on this role. But, during a war emergency, of course, they would be mobilized.

The CHAIRMAN: Is your question along these particular lines, Mr. Smith?

Mr. SMITH: Yes. In the minister's statement he mentioned the level of training. Is there a time difference in the training level between a new recruit, we will say in the infantry or service corps, and the well trained militia man being brought into active service?

Mr. CARDIN: I think I will ask Colonel McPherson to answer that question for you.

COLONEL C. P. MCPHERSON (*Directorate of Militia and Cadets, Department of National Defence*): Perhaps I should give a little of the background.

A soldier joining the militia does so in one of two ways. He can participate in the normal weekly training program with the militia or he can, if he is a student, participate in a six week training program each year. This program was introduced some years ago. He takes six weeks of intensive training each summer. Now, each training program is divided into a system of blocks, a recruit block, a trained militia man block, and then a trades block, depending on the attendance of the individual.

Mr. SMITH: But, assume for my question that he is an enthusiastic and good recruit.

Mr. MCPHERSON: An enthusiastic militia man can complete two blocks in a year. He can take his recruit training and follow this up with trained militia man training, and he will reach the militia standard we have set.

Mr. HARKNESS: This would depend very considerably on the arm or the corps of the service involved?

Mr. MCPHERSON: It does indeed, sir.

Mr. SMITH: Well, suppose we take the simpler arms of the service.

Mr. MCPHERSON: The simpler one is what I have explained. Some other corps take additional blocks, in their trades training particularly. It is considered to be a little easier to become a specialist, Army Service Corps one, than, as Mr. Harkness has pointed out, for a chap to become a gunner. But, we must remember that in 1959 the training program was changed so that

the militia man in the arms—that is, in the armoured corps, the artillery and the infantry particularly—could not take their trades training in corps subjects. They were trained very basically in military subjects for very short periods of time and then went on to national survival training. So, in the end we obtained a product who knew something about the army but not very much. He knew a little about his corps and a lot about national survival. It is hoped after we have studied the Suttie commission report that we can reverse the field, so to speak. I think it is recognized that if we have a basically well trained militia man in his corps skills that he can be used for almost any purpose. He can adapt quickly to any situation, and I think that is a characteristic of the Canadian boy.

Mr. SMITH: In terms of time what advantage would that give the army in respect of the use of that man as opposed to a new recruit with six weeks, twelve weeks or three months training?

Mr. MCPHERSON: I do not think it would be fair to relate the militia man's training in terms of weeks because in the normal course of events he might attend only once a week or on a week end.

Mr. SMITH: I am not referring to training. Suppose you have two men come into the service in an emergency and one is a raw recruit and one is a trained militia man. How much advantage or utility does the militia man have? Has his training been worth six weeks, three months, or some other period of time to you as an officer who is going to employ that man?

Mr. MCPHERSON: I would suggest it would be a tremendous advantage to have a chap who has been trained in the militia. I would hesitate to pin a figure on this, but I would say that we could dispense with his recruit training.

Mr. SMITH: Which is what?

Mr. MCPHERSONS Six weeks, or longer in the regular army.

Mr. SMITH: Could you dispense with more of his training if he was, for instance, going into the service corps?

Mr. MCPHERSON: Yes; he would be basically trained in his corps and with very little additional training he could become a member of the team and take his place to perform a useful function.

Mr. SMITH: In arriving at your figures of what is needed, has there been no projection made with regard to the time advantage the employing service is going to have?

Mr. MCPHERSON: Not that I am aware of.

Mr. CARDIN: I do not know whether you can use a yardstick of just what time element would be involved here, and the advantage in the field of time. It is quite clear that what we are trying to do is to be able to give to the militia men as much training as possible within each of the corps. There certainly is no doubt that what we are trying to do is get them as ready as is possible in order to get in the regular force with the minimum amount of additional training.

Mr. SMITH: I feel you have to make some sort of projection; you have to have some idea how much sooner you will have the use of the militia man than would be the case in respect of a raw recruit, because the shorter the time the raw recruit will be useful tends to derogate from the value of the militia.

Mr. CARDIN: From what we tried to do during the last war, I would not imagine you could get a raw recruit and make him a good soldier in anything less than six or eight months.

Mr. SMITH: That is my feeling. I think probably the militia man has a greater value than the periods of training would indicate.

Mr. MacINNIS: The minister just referred to the fact that it would be very difficult to fully qualify a militia man in less than six months.

Mr. CARDIN: I did not say it would take a militia man six months. We were talking about a new recruit.

Mr. MacINNIS: A new recruit going into the militia.

Mr. CARDIN: The regular forces.

Mr. MacINNIS: What I want to get at is the colonel referred to two blocks. How are the blocks arranged in one year in order to qualify the man, and how is it to be worked out with the student militia?

Mr. McPHERSON: Perhaps I might explain what a block is. A block of training represents 60 training periods. As a further explanation, it represents 30 parades of 15 days' pay. Two parades represent one day's pay. Our training program is geared around this block system. Although you must remember it is spread over a period of time, in 15 days he gets his recruit training. He then progresses to other blocks in subsequent periods.

Mr. MacINNIS: I am concerned with how you go about arranging the blocks, say, for the student militia where there is a six weeks course.

Mr. McPHERSON: It is a six weeks concentrated course. What happens is that the student militia man can take both the recruit training and the militia man training in the six weeks period.

Mr. MacINNIS: How do they break it down between the recruit who comes into the militia off the street as opposed to a student militia man who goes into the militia; how do they take advantage of the student militia training that some of them may have taken already?

Mr. McPHERSON: The training standards are broken down into subjects on the basis—to put it broadly—of what the individual must know and the subjects that he should know. Then, perhaps, there is a further breakdown of subjects he might know. When he parades with his unit at the armoury he takes "must know" subjects. The student militia man who attends a six weeks camp takes not only the "must know" subjects, but also the "should know" subjects; in other words, he is becoming better polished in his particular skill.

Mr. MacINNIS: When a recruit comes in off the street and a former militia trainee joins the militia, is there any separation of their basic training in respect of the required knowledge?

Mr. McPHERSON: The aim or object of the student militia program is to provide potential non-commissioned and commissioned officers for the militia. If a student wishes to join the militia full time and parades with his unit at night throughout the year, then, of course, he has higher qualifications than has a soldier who has merely gone through the normal training program at the armoury.

Mr. MacINNIS: Would it be necessary for him to go through certain repetitions in his training?

Mr. McPHERSON: I would not say repetition; it would be necessary for him to take the non-commissioned officers course in order to be skilled in the technique of being a leader or a commander.

The CHAIRMAN: Next is Mr. Harkness. Supposedly we are dealing with the numerical strength aspect of the militia. After Mr. Harkness, I will revert to Mr. Winch.

Mr. HARKNESS: At the present time, the strength of the militia is governed by two orders in council, one which provides for a theoretical establishment of approximately 190,000 men, and another which limits the actual number which can be enlisted to 90,000 men. As we know, the actual strength

never has been much above 50,000. Is it proposed to rescind those orders in council and, if so, what strength would be provided in the proposed new order in council?

Mr. CARDIN: Mr. Harkness, that part of the problem has not yet been decided upon. We were working the other way to try to find out what we require, and adjustments can be made later. At the present time I am not ready to say whether or not the order in council will be rescinded.

Mr. HARKNESS: I think this strength of 31,000 not only bothers me but also bothers militia men generally throughout the country. I will come back to the figures you gave, and if we accept those as the number of militia men you actually would need in an emergency, have you made any calculation with regard to how many people you would require in the emergency in order to get the 31,000 when you need them?

Mr. CARDIN: No. I think that was the question asked by Mr. Lambert. We do not know yet what will be the number of additional people. It could be in the order of 20 per cent or 25 per cent, but this has not yet been determined. I would think it would depend also largely on the enthusiasm with which the members look on the new roles of the militia and the attendance of the people in the different corps.

Mr. HARKNESS: On the basis of past experience, of course, we know that when an emergency develops a considerable proportion of the number of officers and men in the militia, because of family, business and other reasons, are not prepared to go on duty. In view of the fact we have no conscription system we therefore must proceed on the basis that a considerable proportion of men in the militia at any particular time are not going to be available when needed. I would think that is the primary thing we must consider and be aware of in this committee, otherwise we are dealing with things, to quite a great extent, in a vacuum. We must know the actual number of men in the militia required to meet your needs in an emergency.

Mr. CARDIN: Mr. Harkness, I agree with the principle that you have mentioned, needing more individuals than the total required, but I am not now in a position to state how many more will be required in order to meet that need of 30,000 to 31,000 militia men.

Mr. HARKNESS: On the basis of the number of militia men who offered themselves for service in 1914 and 1939 I would think we should have a rough guiding principle. What was the proportion in that regard or do you have those figures available?

Mr. CARDIN: I am sorry, I have not got those figures although I can obtain that information for you.

Mr. HARKNESS: I think those figures would provide a rough guide immediately. I feel the figures in respect of 1939 are perhaps more applicable than the figures in respect of 1914, in view of the changed conditions.

Mr. CARDIN: I will try to obtain that information and make it available to you.

Mr. HARKNESS: Until we receive that information I suggest we are not really in a good position to deal with the question involving the strength of the militia, and its composition.

Mr. CARDIN: I have no doubt that figure is an important one; however the main gist of the terms of reference in relation to what the army has felt is required to support the regular army and the other three roles, it would seem to me, gives members of this committee an ample opportunity to study these roles. The only part of the question not included in the statement I made has

reference to the margin between what we feel is necessary and the number of people that we should have on strength or establishment to meet the requirement.

Mr. LAMBERT: I should like to ask a supplementary question. In view of that fact, is it not unrealistic, Mr. Chairman, to speak of saving so many millions of dollars?

Mr. CARDIN: We have not spoken, as far as I know, in any accurate or formal terms. Our figures have always been based on approximations.

Mr. LAMBERT: I am referring to the $5 million figure that has been bandied about.

Mr. CARDIN: Mr. Chairman, I think what Mr. Lambert is referring to is a calculation that the Suttie committee has mentioned. That figure certainly is not a figure referred to by the Department of National Defence.

Mr. LAMBERT: I think the announcement on December 5, 1963, went as far as indicating a savings of $15 million, and that certainly was a departmental announcement through the voice of the minister and yourself. I did have grave doubts about the realism of that figure.

Mr. CARDIN: I think at that time the minister also claimed that he was referring to approximate figures. It is difficult to calculate exactly what the savings will be until firm decisions have been taken regarding exactly that which is to take place. I think you can appreciate that fact, Mr. Lambert.

Mr. LAMBERT: I do appreciate that fact, hence the reason I object to the use of these large round figures on which these announcements are formed.

Mr. CARDIN: The committee continues to ask for figures and if we do not supply them they become annoyed, yet when we give approximate figures we are accused of giving wrong figures which are nothing else but approximations.

Mr. LAMBERT: I refer to the announcements in respect of large figures which are headline grabbers.

Mr. HARKNESS: We have been given the figure of 30,000 in respect of the militia strength. I feel that figure has been taken for granted by practically everyone as indicating the strength of the militia is going to be reduced from approximately 50,000 to 30,000 men. I have attempted to point out that in order to have 30,000 men available at any given time the strength of the militia must be considerably greater than that. I would suggest that the probable need is close to the number we have had on establishment in recent years, being around 45,000 to 50,000. In order to have 30,000 men available when you need them I suggest you must have perhaps something of the order of 45,000 to 50,000 men on establishment.

Mr. CARDIN: I do not doubt that that is a valid opinion, and I realize you have experience in this regard; however, I am not in a position at this time to indicate what we feel will be the number required.

Mr. HARKNESS: I would suggest that in connection with the 1,500 figure you gave us as representing the number of individuals required to help with nuclear detonation centres and general survival operations, it is a fairly definite figure and which is, I know from experience, calculated very accurately. I would suggest that is a hard and fast figure. You also refer to 2,500 individuals being required for security purposes. I am very curious about the method you used to arrive at that figure of 2,500. Can you give us a breakdown or explanation regarding the method you used to arrive at that figure? Personally I feel that is a completely unrealistic figure.

Mr. CARDIN: Mr. Harkness, Colonel McPherson is in a better position to answer that question than I am.

Mr. McPherson: Although this not within my province, I think you may and probably do remember that throughout Canada there were various installations which, as is stated in the associate minister's statement, may be disrupted as a result of sabotage, having serious consequences. These installations have been established and identified, and we have determined very roughly the number of individuals required for each of these installations; hence we arrived at this figure.

In addition, the R.C.M.P. has stated that it will require some assistance initially in certain fields such as in respect of internment operations. The numbers in this regard have been calculated as well.

I recall in 1939, on mobilization, being with a group of men employed in respect of a power station. That is the type of thing to which I have reference.

Mr. Harkness: This is the type of thing I had in mind, and the number of people employed on these duties in 1939 I think was considerably in excess of 2,500. That is why I wondered about this figure and why I should like to have a breakdown of the figure.

Mr. McPherson: I do not know whether this information can be made public or not.

Mr. MacInnis: Is there any breakdown in respect of veterans' guard personnel who were being used for this purpose during the last war? I expect the number would exceed 2,500.

Mr. McPherson: The veterans' guard, of course, was not organized immediately in 1939.

Mr. MacInnis: Yes, but the purpose to be served supposedly by the 2,500 men as now planned is very unrealistic in view of the number required to perform similar services during the last war.

Mr. McPherson: Perhaps I should add this point, that the 2,500 figure is considered to be the immediate requirement which we can foresee in respect of these installations. Following that there would of course be a greater number required, depending on the situation.

I do recall in 1939, as I said, being with a group of men guarding what was considered to be a vital installation, the railway bridge that crossed between St. James and Winnipeg, Manitoba.

Mr. Harkness: I would like to ask a question on this particular point. Can we get a breakdown on how this 2,500 is arrived at because, again referring back to 1939, there were several full infantry units engaged in these duties that I know of personally, and there must have been a lot more that I never heard of.

Mr. Cardin: May I point out, Mr. Harkness, that even in the statement I read I was referring to approximately 2,500. In answer to your question whether we can get a breakdown, I shall try to do this. There is no doubt that a number of people are involved in security which have to do with installations. Whether or not we should give out the number of people we would have in the different areas that we consider secure is problematic. I do not think it would be wise for us to go ahead and give too much indication on what we feel are security posts.

Mr. Harkness: I would agree that perhaps we should not indicate all the points at which you are going to put these people.

Mr. Cardin: If we cannot do this, it then makes it difficult to give a breakdown.

Mr. Smith: We know you have security guards on the St. Lawrence seaway and the Welland canal. I think that even the most naive enemy would know that, but I think it would be some guide to the committee on the

realism of these figures if we had an indication of what number would be involved in normal antisabotage security duties on these two installations.

Our worry, Mr. Cardin, I think, is that we are somewhat dubious of these figures as being the worst type of ball park figures, to use Mr. Hellyer's expression, and not having much realism. We would like to be reassured in that direction.

Mr. CARDIN: It is my understanding that the figures which have been given out are not as unrealistic as you might think.

Mr. SMITH: But we would like some assurance of that.

Mr. CARDIN: In so far as it is possible for us to give that assurance without divulging too much security information, we will try to do it.

Mr. HARKNESS: I would suggest, the protection of the St. Lawrence waterway alone, including the Great Lakes, the Welland canal and Sault, would require more than 2,500 alone. I think that if you look up your figures for 1939 you will find that was the case.

Mr. CARDIN: I will look into it.

Mr. HARKNESS: This was why it struck me that the figure was so unrealistic.

Mr. CARDIN: I will try to give as complete an answer as it is possible to do, keeping the security measures in mind.

Mr. HARKNESS: Those are all the questions I have on this particular matter.

Mr. SMITH: I have a simple supplementary question on figures.

The CHAIRMAN: Is it short and concise?

Mr. SMITH: Yes. Do these figures of militia take into any consideration the replacing of the military presence in those bases in northern Canada which were recently abandoned or turned over to the Department of Transport?

Mr. CARDIN: I do not think so. These establishments have at present no longer any military use, and unlikely to have even in the future.

Mr. SMITH: Even in times of stress and emergency?

Mr. CARDIN: There is always this possibility of course.

Mr. WINCH: I am most interested in this discussion on the future of the militia, having been a member of the militia myself. In order to explain what is in my mind I may have to give a little bit of background. I was most interested in the statement the associate minister made this morning regarding which I have written down two quotes. The first one is "Militia having the know-how", and the second one, and I wrote it down as he said it, was "get into the regular forces with the minimum amount of training". It is on the basis of those two quotes from what the associate minister said that I will have to give some background in order to build up to the information I want.

I had the privilege of being a member of the militia during the last war. I joined as a private in the Irish Fusiliers, the second battalion of the Vancouver regiment. I went up through N.C.O. ranks, and two years later got officer's status on examination. As a sergeant and an officer for between two and three years I was utilized wholly and solely as a weapons instructor. This was in time of war during which a great many went overseas from the militia of which I was a member. They did a wonderful job and many did not come back. However, here was my experience, sir, in an infantry battalion. We had light machine guns. We had enough for the training of one platoon, not for a battalion. We had the Lewis. Why do you have militia teaching enough Lewises for a company in time of war when the Lewis is not the L.M.G. being used overseas? Then the Lewis was removed from our battalion and we got the Brens. I had enough Brens for two sections, not for a battalion. Moreover, at no time—going back in memory—those who were instructing ever fired with

live ammunition so as to understand the recoil, and so on. We then had our submachine guns, the S.M.G.'s. In the militia unit I, as a training officer, had to teach militia in time of war the Reising S.M.G., and yet that S.M.G. was never used in the battlefield. Then the Reising was removed and we had the Stens. In our battalion I think we had three Stens. I can never remember any member of the battalion ever firing a Sten. As an infantry battalion we had antitank guns. The boys marked with one star were given the 55 mm. guns. I think we had two of them. Beyond everyone passing their T.O.E.T. on the antitank guns, it was never fired. Then we had commando training and infantry. I am only speaking of our Vernon camp and the Vancouver island camp. In one year the platoon formation was changed three times. I know of that because I was a commander instructor both in Vernon and on Vancouver island. However, how are you going to have the militia which have know-how—this is right in time of war—being able to get into the regular forces without the minimum amount of training if, from the experience which we had in the militia, we do not have the weapons which are used in time of war? There is a big difference between passing a test of elementary training and knowing what is the meaning of a recoil of, shall I say, a .55 which was the antitank gun. I resigned my commission shortly after the war but I have maintained an interest in the regiment I belonged to. What has happened since then? The straight infantry battalion becomes an anti-aircraft battalion, which it never was before.

Mr. Chairman, I have just given this hindsight, this background, from personal experience. I am asking the minister now if we are going to have an entirely different situation for the militia where they are going to be trained knowing what the objective is, and if they are going to be trained with the weapons which they will be expected to use if they go into service, and if the training of militia from now on in peacetime will be a damned sight better than it was in wartime, when you could not even train them with actual firing.

I emphasize that one word, firing, because I was called on the carpet more than once by conspiracy with the regular A-1, when we built up some of our own equipment. Let us take an example. One of our teachings was to use a grenade fired from a rifle. You cannot teach that one verbally. Unless they actually fire a grenade from a rifle they do not understand the range and so on. I almost got courtmartialed because I did it in Stanley Park. I hope you get my point. This was experience. I hope you go beyond that. We were supposed to study a two inch mortar, but I never saw a two inch mortar fired at all. We did not have one range finder. A range finder is for the artillery, but it is also part of the equipment for an infantry company, yet we did not have a range finder. I was the only man who knew anything about how to use it. Why? Because I was in politics and I was able to go to another battalion and have them teach me how to use a range finder so that I could explain it to my people.

Have I made myself clear from the point of view of the militia in time of war, and from my experience as a weapons instructor? Many went overseas, and many never came back. Many died in the invasion of Sicily. Now, as we are changing from straight infantry to anti-aircraft, to civil defence, and now to something else, I hope the minister will give us some definite confirmation that the militia is not going to be just verbally instructed, it is not going to have antiquated weapons which will never be used, but will be given an understanding of what they have to use. I shall conclude with the words of the minister when he concluded: "To get into the regular forces with the minimum amount of training."

Mr. CARDIN: I think Mr. Winch has made a very good point and made it very well. As a matter of fact, what we are now trying to do is to correct the shortcomings that there were in training people during the last war with antiquated equipment, and not giving them an opportunity of feeling what war was really like.

Mr. WINCH: Do you know that we still have the Ross rifle?

Mr. CARDIN: I know. But I think when we are speaking of the role of the militia written down in the terms of reference, it is based upon trying to give to the militia not only better training but also better liaison with the regular forces. I think you will appreciate that it would be expensive, indeed, I think impossible, to have all the equipment which is now used by the regular forces in our militia installations. This would be an extremely costly matter. But we try as much as possible to be able to get some equipment which can serve certain purposes. We shall try as much as possible to get equipment for training the militia which is as close as possible to the equipment of the regular forces.

Now, something which I think is even more important is that we have hoped and indeed it is our plan to be able to give to the militia a far greater training during the summer months with the regular forces, with real equipment used by our regular forces, and to a far greater extent than it has ever been done in the past. This is to be able, as we say, to give to the militia the know-how, and also to be able with the least possible training to have them ready to take over from the regular forces. This is our objective. It is not an easy one, nor can it be done overnight. We can, of course, increase field training during the summer months with the regular forces and with regular equipment, and we can also try as time goes on, to perfect the equipment that is now being used in training the militia.

But I think your point is well made. What we are trying to do is to avoid repetition of error, and to make sure that the militia men have fired and know what the range of fire is, if they have an opportunity to use equipment used by the regular forces. This we propose to do during the summer training to a far greater extent than ever before. Perhaps Colonel McPherson might add a word to this.

Mr. MCPHERSON: I do not think there is much that I can add to what the minister has said, but we do hope that we will be able to make militia training far more interesting and far more dynamic for the individual. It has been said that there is a turnover in the militia that at times is phenomenal. We hope that by introducing a good program with proper equipment, that this turnover will be slowed. We contend that if militia officers and militia N.C.O.'s make the training interesting for the men, and show the men that they have their interests and welfare at heart, that they are offering them a unique method by which they can serve their country and at the same time have an interesting hobby or second career, then we feel that militia men will be more inclined to stay in the militia.

Mr. WINCH: May I bring up one other point: it will mean four years of instruction, but you can instruct all you want with theory and everything else, and you can even get your men to pass their T.O.A.T., but you are not building up the morale of those men in the militia by just strictly instruction, and have them pass their T.O.A.T.'s. Let me tell you from experience that time after time after time the men would go to their instructors and say: When are we going to fire?

You can only go into camp for two weeks in a year. You are holding your exercises perhaps one week end in a month or every two months and so on. And during that time they have to be able to fire and to understand what they

have been taught. Otherwise you are hurting their morale, because you cannot just say "O.K., if you want to, go to camp". Do not forget that one half the militia do not go to camp, and they have to be able to train while they are actually training in their home barracks or armouries or on field manoeuvres.

That is one thing alone. If you only added it twice a year, it would do more in my estimation to build up morale than anything else, because morale will not grow just from taking your T.O.A.T.

Mr. McPHERSON: I think you will find with the present day militia force that they are firing more than they did in the past. There are limitations, of course, on the amount of equipment that we can give to a militia commanding officer. There are such factors as "can he house the equipment?" As you know, in our cities we have very large armouries, and even if we could, it would not be very feasible to give him all the training equipment he might think he needs, because there is no place to store it.

Mr. MACINNIS: Yes, and it is hard to hold on to today.

Mr. McPHERSON: There is also the maintenance which the General Officer Commanding usually insists upon; can the commanding officer maintain this equipment and so on. But what we hope to do is to make equipment available so that when the commanding officer chooses he can take his battalion out on week ends and use the equipment. He can take his troops to the ranges, and to a training area, and fire his weapons.

Mr. SMITH: Perhaps it would be reasonable if occasionally we let Hertz put the militia man in the driver's seat.

Mr. WINCH: I am very glad to hear this. But, as I said, I was a weapons instructor in the militia for three years during wartime and only on one occasion, namely in the armoury, were the officers allowed to fire their side arms. Now, they changed our side arms about every six months. But, as I say, only once in three years did the officers fire their side arms. This is what I am referring to and I hope this system is being changed.

Mr. CARDIN: Yes, it is.

The CHAIRMAN: You are next, Mr. Brewin.

Mr. BREWIN: Mr. Chairman, perhaps I have had a similar experience to that which Mr. Winch has related, and I want to follow his same line of questioning.

I note in the Suttie commission report at page 9 that while they recognize that the cost of outfitting units with a generous scale of equipment cannot be tolerated, there is a minimum requirement which must be met in order to train to the required standards. Then they go on to speak to the point which Mr. Winch has raised in respect of the necessity for morale and to point out there is the technical specialization and the need for equipment which develops. The question I wanted to put was whether this standard of minimum requirements to train to the required standards in the militia have been worked out in any detailed way. Is there a program for filling this minimum requirement and has any estimate been made of what the cost of filling this minimum requirement would be. Or, are we just drifting along hoping we will be able to do these things without any definite plan to do them?

Mr. CARDIN: Before asking Colonel McPherson to answer this particular question I would like to point out again that you are reading from the Suttie commission report. I do not want to comment on this report until a decision has been taken.

Mr. MACINNIS: Mr. Cardin, if you do not mind my interjecting at this point, a short while ago in the committee you referred to this committee report with some authority and now you are saying you do not want to comment upon it.

Mr. CARDIN: No. What I referred to were the terms of reference included in the report. The terms of reference were given to the committee by the Department of National Defence, and it is on that that I have spoken. But, I think members of the committee will understand we have before us a report made by a commission and I want to make a distinction between what the Department of National Defence has been thinking and what is in the Suttie commission report. I think you can appreciate that.

Mr. BREWIN: Well, I appreciate they are not the same. But, before we get the full answer to the question, is there any doubt in the minds of officials of the Department of National Defence or the minister in respect of the lack of adequate equipment for the militia?

Mr. CARDIN: No, there is no doubt about it. But, I do not want to comment upon it nor do I want to be involved in a situation to the extent that you can no longer distinguish between the Department of National Defence's position and the Suttie commission report.

Mr. BREWIN: I appreciate that. I just took from this report what I assumed to be a statement of fact because we had the same thing from the conference of defence associations the other day. Mr. Winch has spoken of it and, from my own experience, it is a pretty chronic complaint by militia units that they lack the equipment to create the morale which will hold the people. I was wondering if there is not only just a recognition but if, in fact, a real plan exists in respect of these minimum requirements, that this is engaging your attention and that, in fact, you are going to try to work them in more with the regular forces. Has this minimum requirement been worked out and is there a plan to meet it? If so, what are the approximate costs?

Mr. ASSELIN: (*Notre-Dame-de-Grâce*): Mr. Chairman, I have a supplementary question.

The CHAIRMAN: I think we should have the answer before we have a supplementary question.

Mr. MCPHERSON: Mr. Chairman, it might be of some use if I explained the present system or method by which we calculate the requirements. We have established across the country what are called command pools of equipment, recognizing that we cannot provide the full war establishment of equipment for every unit in the country. I think the factors of costs, security, maintenance and real use would negate the need for this.

We have a document that is called the unit scales of entitlement, and each unit by corps has on a separate page its entitlement for training purposes. It shows that each unit is entitled to so many, we will say, machine guns, so many artillery pieces, and so forth. When you take the unit's scale of entitlement and multiply it by the number of units you have in a given command this determines the command pool, or the amount of equipment one must have in that command for those militia units to train with. The policy is that the active units get priority in the use of this equipment. There is no question of trying to spread this as thin as possible to let everyone have a little bit of equipment, whether or not he uses it. If the commanding officer is active and has a tremendous interest in getting out to train he can be issued the equipment he requires to do his training. That is our present system. It does take into consideration the factors of cost, security, maintenance and housing or holding the equipment.

Mr. LAMBERT: And this has been the case for a number of years?

Mr. BREWIN: Is there any recognition of shortages in this connection, and is there any plan afoot to increase the equipment available?

Mr. WINCH: Do you still supply active forces' A.I.'s to militia units?

Mr. MCPHERSON: Yes.

Mr. Asselin (*Notre-Dame-de-Grâce*): Would the bringing of this up to the minimum requirements, which were brought up through the last two questions, take you past the point where you could say that the dollar spent in respect of the reserve and the militia is the cheapest one? In other words, would it bring you to the point where it is no longer economical? There must be some point at which it is not economical.

Mr. Cardin: There is.

Mr. Asselin (*Notre-Dame-de-Grâce*): In other words, if you are going to equip them as regular forces you might as well have regular army personnel looking after them. There must be some point in there where it is no longer economical.

Mr. Cardin: There is no doubt that there is a point there. Of course, the amount of equipment that can be made available, as Colonel McPherson has mentioned, is limited by the amount of money available. What we are trying to do is, first of all, to get as much equipment as we feel necessary and to try in time to get better equipment for the militia, but mostly to try to organize the militia to work with the regular forces with regular forces equipment. This is the basis on which we are trying to train our people.

Mr. Asselin (*Notre-Dame-de-Grâce*): That is, to make the regular force equipment go further?

Mr. Cardin: Yes. The militia would train with the regular force equipment as much as possible.

Mr. McPherson: It is foreseen that during the summer months the militia would be organized for camp, and the regulars would stop their training and take on the militia, letting them use regular army equipment and firing regular army weapons.

Mr. Brewin: I wonder whether I might get a direct answer. I am not sure that I understood the answers which have been given with regard to whether there has been any recommendation concerning additional equipment required, and any estimate made, of the added cost of the equipment required to measure up to what has been described in the Suttie report as the minimum requirement.

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Mr. Cardin: The answer is that no estimate has been made yet.

Mr. Winch: I have a supplementary question which is of interest to me. There always has been, and I presume still is, a plan whereby the militia go to a specified camp for two weeks. I can remember in my experience we were in Vernon, Gordon Head and Nanaimo. A week or so ago members of this committee had the opportunity of going to Camp Gagetown. I understand that in the summer the active force exercises at the same time the reserve force

exercises at Gagetown and Wainwright. In view of what the minister has said about know-how and getting into the regular force with a minimum of training, has any consideration been given to the possibility that for the two week period the militia instead of training, for instance, at Vernon, Gordon Head, Nanaimo or anywhere else in Canada, could have their training tied in with the Gagetown operation or the Wainwright operation? I find this most interesting as a result of our day at Camp Gagetown.

Mr. McPherson: At the present time we have another aspect of the militia training program whereby we attach militia officers and non-commissioned officers to regular units.

Mr. Winch: But not the other ranks?

Mr. McPherson: Officers and non-commissioned officers.

Mr. Winch: But, I am talking about the other ranks.

Mr. McPherson: There was a limit to the number of people we could take and it is felt that what the non-commissioned officer and officer requires in the militia is a training in the leadership aspect such as how to command a platoon, learn how a squadron is operated or how a rifle company is commanded. For example, a platoon commander would go to Wainwright and be attached to one of the infantry battalions. He would train with a platoon, and for the period he is at the camp he could act as the platoon commander, or, if he was not up to it, he would understudy the regular platoon commander, and toward the end of the week he would have the opportunity of commanding the platoon. This is the purpose of the attachment.

Generally speaking attachments can take place at any time of the year, depending on the individual's corps. For example, a Royal Canadian Army pay corps clerk in the militia could be attached to the nearest pay office for training in pay matters at any time of the year, whenever he could get away from his civilian employment. This arrangement exists and I might say works extremely well.

Mr. Winch: Do you still follow the practice of sending senior officers to college for training?

Mr. McPherson: Yes, indeed; this is the militia staff course. It is based at Kingston at our Canadian army staff college. We have a program whereby qualified officers of the militia attend and receive a higher qualification. After successful completion of this course he is granted the symbol M.S.C.

Mr. Winch: I remember that the second in command of the Irish went from the militia to the training college and almost two months later went overseas with the Seaforths.

Mr. McPherson: We also have a program which directly ties in the militia with the regular army and that is by attendance at the royal schools. I think anybody who was in the militia before the war will remember royal schools. The royal schools have been brought back and militia personnel are attending these schools.

Mr. Brewin: Mr. Chairman, might I just finish?

The Chairman: We have Mr. Laniel and Mr. Temple who have yet to ask questions. I would ask you to complete your questions, Mr. Brewin, and then we will have no more supplementaries.

Mr. Brewin: I would like to make sure I have this straight. The Suttie commission report has referred to the shortage of equipment and has implied that it is a serious matter, and that an extra cost is required. This particular recommendation was strongly endorsed by the Conference of Defence Associations which appeared before us. Did I understand correctly that the minister said no extra cost is contemplated if it is necessary to expand and meet this requirement for equipment for the militia?

Mr. CARDIN: No. If I understood the question correctly, you asked previously whether any estimates had been made, and the answer to that is no. That does not mean that the whole problem is not being considered.

Mr. BREWIN: The whole problem is being considered, but no definite estimate has been made?

Mr. CARDIN: No definite estimate has been made.

(*Translation*)

Mr. LANIEL: Mr. Minister, I wonder how you can set up such tightly closed areas of activity as those defined in the four roles enumerated as terms of reference for the Suttie report. Do you expect to have some units that will have one or two specific roles? If that is the case I do not see how you arrive at the figures given for each area. In my opinion, and this may complete the points already dealt with, maintaining reserves is not only a matter of training and efficiency, it is also a matter of interest for the recruits who join the reserves. I belonged to an anti-aircraft artillery unit for eight years, myself. If we had not had various opportunities, because of the lack of equipment and instructors, to play at being infantry men or to do all kinds of other exercises, I do not know how the cadres of our unit could have been maintained or how the officers could have remained sufficiently interested to attend regularly. I am wondering at the same time whether such overlapping in one sector or another does not completely change your figures. I wonder whether you should not give the Reserve another direction by preparing a broader program so that everyone can have something to do, so that each sector and each part of Canada could be better covered in case of an emergency or in case any national problem should arise.

Mr. CARDIN: Well, the roles assigned to the Militia more or less cover what the regular forces would like to have in the way of support. The Militia as a whole, with the roles assigned to it is now in a position, in a much better position than it has been, let us say, since 1959, to give such support to the regular forces, whether in the field of support to the regular forces should our 2nd and 3rd Brigades in Canada be sent to Europe, or where training is concerned, in which case it would in fact comprise three brigades. So we feel that the objective corresponds to the wishes of the regular forces in the first place, and that the roles assigned to the militia are more interesting and more attractive to the men who are part of it. I think there will be much closer liaison with the regular forces than there ever was in the past. They will become real soldiers again and not be merely people who are only involved in civil defence. Each man will be trained in his cadre and they will again be of greater use to the regular forces, I believe. Consequently, I think it would be difficult to find more appropriate roles than those that have been determined.

Mr. LANIEL: In that connection I fully agree with the order of priority you have established, that their main role should be to support the regular armed forces and so on and so forth. But I see that the second role you are going to give the three brigades at the instruction stage, or their fourth role, will be to assist the Army in accepting their responsibility wih regard to national survival, and that special units of the militia will be appointed for the task. I wonder whether in my area, in Valleyfield, our unit which is attached to the Royal Vingt-Deux regiment at the present time, will simply become a special unit assigned to the Militia to take charge of survival in case of a nuclear attack. I do not agree to one particular unit being confined to maybe such a small role as survival.

Mr. CARDIN: No. The Militia will be trained in every type of training. But in case of an emergency some of them will be called upon to play a certain role, but their training will be more thorough and more detailed than in the past.

Mr. LANIEL: In that case I do not see how you can distribute the number of—

Mr. CARDIN: I think I should explain that even if the various roles are numbered one, two, three, four, it is not merely a matter of priority.

Mr. LANIEL: No but as far as numbers are concerned?

Mr. CARDIN: But the point should be cleared up in some way, but it depends on circumstances. If, for instance, a nuclear attack is launched against Canada, then of course the matter of survival is the most important. So that is when the survival role would come in. In case of operations in Europe, that would be our first role.

Mr. LANIEL: In that case would the 9,000 members of the Militia who are in the main sector of support for the regular army be automatically transferred to handle survival?

Mr. CARDIN: Yes, all members of the Militia will be trained in all operations having to do with survival. All the members of the Militia will be trained for survival operations and they will also receive special training in first-aid. So, in general we want the entire Militia to get fairly general training; in some cases some groups will be assigned certain duties.

(Text)

Mr. TEMPLE: Mr. Chairman, there has been considerable discussion this morning regarding the morale of the militia, and the suggestion that in addition to the 31,000 establishment there will be required an X number of additional troops.

In respect of the matter involving morale, training, esprit de corps and competitiveness, has any consideration been given to attaching certain groups of the militia for the purposes of training to the Royal 22nd, for instance, which has a very well earned reputation, in an attempt to increase both training and morale or esprit de corps? Has any thought been given to having two or three militia regiments or battalions attached on a more or less permanent basis to say the Royal 22nd, in central Ontario to the first battalion Canadian corps, and in a similar manner across Canada? I am not aware of the administrative problems which may be attached to such a concept, but it may well be that this would create a great deal more competition, and esprit de corps, and assist in maintaining militia strength.

Mr. CARDIN: Mr. Temple, I understand that this suggestion has been made, consideration has been given to it and it is considered as being an excellent suggestion. Perhaps Colonel McPherson could elaborate on that answer.

Mr. MCPHERSON: Mr. Chairman and Mr. Temple, earlier I mentioned the fact that we were organizing royal schools. It is intended that a particular battalion will run a royal school for a given number of militia units and that kind of loose affiliation will continue throughout the year. If there are any attachments, as I described earlier, these attachments would be made to those units, and when a militia unit went to summer camp before the regular army completed its training that militia unit would be attached to the same regular unit it had been associated with throughout the year.

Mr. TEMPLE: Thank you.

Mr. MCNULTY: Mr. Chairman, it was my intention to ask my questions last week when the representatives of the Conference of Defence Associations were in attendance. Perhaps I can obtain this information at the present time. I am wondering for what reason and at whose request the Conference of Defence Associations was formed.

Mr. CARDIN: I understand this is an association that has been set up for a number of years.

Mr. MCPHERSON: It has been in existence since 1932.

Mr. CARDIN: This is not a new organization and is made up of individuals who have either served during the war or are serving now with either of the three reserve forces. I imagine the association was set up as a result of the individuals own volition because of their desire to help in the field of defence.

Mr. HARKNESS: Mr. Chairman, perhaps I might make a comment in this regard. There had existed for a long time before the formation of this association corps associations such as the artillery association, cavalry association and infantry association. Around 1930 it was felt that a co-ordinating body composed of representatives from each of these existing corps associations could serve a useful purpose. That is how the defence association came into being. It was formed really by the corps associations.

Mr. MCNULTY: It was the corps associations that actually initiated the formation of this association?

Mr. HARKNESS: Yes.

Mr. CARDIN: Perhaps I might add to that statement by saying that up until recently, if I am not mistaken, the Conference of Defence Associations comprised mainly representatives of the militia, and recently added to that representation were representatives from the naval and air reserves. The defence association is now comprised of representatives of the three reserve forces.

Mr. MCNULTY: The association was not set up by the Department of National Defence?

Mr. CARDIN: No.

Mr. HARKNESS: No. It was set up as a result of action of the corps militia associations.

Mr. MCNULTY: What is the actual extent of their authority or function? Is their function advisory or otherwise?

Mr. CARDIN: Yes, the function of the association is mainly advisory and consultative. The association does not have any authority in the sense to which you have referred.

Mr. MCNULTY: The association has no authority over the militia but the association does receive grants. Is that association accountable for the use of those grants?

Mr. CARDIN: They are accountable for the use of the grants. If you prefer I could read to you the object of the Conference of Defence Associations. Would you like me to read this? Is that what you want?

Mr. WINCH: It was read at the last meeting.

Mr. MCNULTY: I was wondering what their authority was, whether they were given authority by the Department of National Defence or whether they took the authority themselves, or are they mainly an advisory group and do not have any real authority?

Mr. CARDIN: They do not have any real authority over the militia or national defence, but they are an advisory group. They look after the interests of different militia groups.

Mr. SMITH: They are the military counterpart of, for instance, the Canadian Manufacturers Association.

Mr. CARDIN: Exactly.

Mr. MCNULTY: Do the Canadian Manufacturers Association receive grants?

Mr. SMITH: Some agricultural associations do, if you want to make such an analogy.

Mr. MCPHERSON: In a nutshell, each corps association holds an annual meeting at which individual delegates present resolutions. These resolutions are discussed, and if they are within the interest of the corps only they may

be forwarded directly to the Chief of General Staff. If, however, the resolution is of interest to other corps or to the militia or to the reserve as a whole, these resolutions are then forwarded to the Conference of Defence Associations. The Conference of Defence Associations meets once a year, usually in January at Ottawa, and is attended by delegates of the various corps associations to consider the resolutions. Those that are acceptable are then forwarded to the Minister. That briefly is how it works.

Mr. McNULTY: Does the department have any say on how the grants are disbursed?

Mr. McPHERSON: Each corps association in the Conference of Defence Associations is given an annual grant and these associations and the conference are accountable for the expenditures, as any government agency would be responsible for its expenditures.

Mr. McNULTY: As you say, this is forwarded to the defence department after the money has been disbursed.

Mr. McPHERSON: The money is disbursed to the defence associations each year, and at the end of each year this amount must be accounted for.

Mr. McNULTY: There is no reference on how the money must be spent until after it has been accounted for?

Mr. McPHERSON: It is usually spent for such things as stationery supplies, travel arrangements, and that sort of thing.

The CHAIRMAN: It is now one o'clock. That completes our meeting. I thank the Minister and Colonel McPherson for attending the sitting. The meeting is adjourned until 11 o'clock Thursday. Our witness will be Brigadier Suttie.

APPENDIX "A"

INFORMATION REQUESTED BY MR. H. E. SMITH ON JULY 14, RESPECTING RESERVE FORCES

Annual Operating Costs—Navy Reserve—1963-64

Pay for Reserve Personnel	$ 1,845,000
Travelling expenditure, including costs of RCN travel	361,000
Military Personnel Costs of RCN personnel employed in support of Reserves	1,700,000
Civil Salaries and Wages	770,000
Food and Clothing—Reserves	310,000
Repair, Upkeep, and Public Utilities, including heat for Divisional Properties.	327,000
Repair and Upkeep of boats and aircraft	105,000
Supplies (including barrack, mechanical, electrical and general stores and stationery) communications, freight, postages and other services	389,000
Commissionaires' services	92,000
All other expenditures	101,000
Total Costs	$ 6,000,000

Annual Operating Costs—Canadian Army (Militia)—1963-64

Personnel, Operating and Maintenance Costs	
Pay	
Militia (excl. COTC)	$ 10,820,547
Student Militia	2,329,569
POR and QM Assistance	1,712,997
Civilian	3,104,620
	$ 17,967,733
Other Personal Cash	
Grants and Unit Allowances	$ 693,000
Clothing—Militia	1,194,000
Student Militia	229,000
Food Supplies—Militia	239,000
Student Militia	95,000
Medical Supplies and Services	219,000
Transportation—Militia	460,000
Student Militia	40,000
	$ 3,169,000
Accommodation Costs	
Building Rentals	$ 492,000
Other Accommodation Costs	1,623,000
	$ 2,115,000
Other Maintenance Costs	
(Stationery, Barrack and Camp Stores, Miscellaneous Ordnance Stores, Spare Parts, Repairs, Petroleum Products, etc.)	$ 2,429,000
Capital Expenditure—Based on a five year average	
Construction	$ 900,000
Equipment	2,000,000
Ammunition	490,000
	$ 3,390,000
Canadian Army Regular	
Support (including Instructional Staff, supporting services, and area HQ Staffs)	
Military Pay	$ 6,888,000
Civil Pay	1,245,000
Transportation	536,000
	$ 8,669,000
Total Costs	$ 37,719,733

ANNUAL OPERATING COSTS—RCAF RESERVES—1963-64

Civilian and Military Personnel Costs Reserve Personnel	$ 3,229,000
Civilian and Military Personnel Costs Regular Force Personnel	$ 4,668,000
Aircraft Operating Costs	$ 790,000
Station Support Costs	$ 2,013,000
Total Costs	$ 10,700,000

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Matheson,
Béchard,	Laniel,	McMillan,
Brewin,	Lessard (*Lac-Saint-Jean*),	McNulty,
Deachman,	Lloyd,	Pilon,
Fane,	MacInnis,	Smith,
Groos,	MacLean,	Temple,
Harkness,	MacRae,	Winch—(24).
	Martineau,	

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, July 23, 1964
(19)

The Special Committee on Defence met at 11.10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Deachman, Fane, Hahn, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacInnis, MacLean, MacRae, Matheson, Pilon, Smith, Temple, Winch (17).

In attendance: Brigadier E. R. Suttie, Chairman of the Commission on the Reorganization of the Canadian Army (Militia).

The Committee resumed its consideration of the *Reserve Forces*. Brigadier Suttie was questioned on points raised in the "Suttie Report" and on other matters related to the Reserve Forces.

The witness was thanked and permitted to retire.

At 1.15 p.m. the Committee adjourned until Monday, July 27, 1964.

E. W. Innes,
Clerk of the Committee.

21251—1½

EVIDENCE

THURSDAY, July 23, 1964.
11 a.m.

The CHAIRMAN: We have a quorum. Can we come to order, please.

We are continuing this morning with our study of Reserve Forces. Our witness this morning is Brigadier E. R. Suttie. Brigadier Suttie does not have an opening statement. The meeting is therefore open for questioning.

Mr. LLOYD: Brigadier Suttie, in the course of your deliberations no doubt you examined the records of the personnel attached to the various militia units. Could you supply the committee with the number of officers, N.C.O.'s and privates who are in the militia at present? Was such information tabulated by your committee?

Brigadier E. R. SUTTIE (*Chairman, The Commission on the Reorganization of the Canadian Army (Militia)*): I think that information is available in the department. We examined it.

Mr. LLOYD: Could you then supply the committee with the rate of turnover of each of these classes of personnel?

Mr. SUTTIE: That again would be available in the Department of National Defence.

Mr. LLOYD: Now, have you any impressions that you could give us on the rate of turnover? Was it high?

Mr. SUTTIE: Yes, I think it would be considered high.

Mr. LLOYD: Very high? Could we get some meaningful statistics, do you think, from tabulations that you examined?

Mr. SUTTIE: I think so, if you wished to have them.

Mr. LLOYD: Mr. Chairman, I submit that this is the kind of information that should be valuable to supplement the general conclusions drawn. I would therefore like, if it is agreeable to the steering committee or yourself, to have such information made available.

I have a further question which I would like to ask Brigadier Suttie. I gathered the impression, from reading your report, that you observed a number of reasons for discontent with the general operations of the reserve forces. This is suggested by the conclusions you draw. You mentioned the need for better public relations, for instance. Could you enlighten the committee in more detail on the nature of these specific reasons for dissatisfaction?

Mr. SUTTIE: These were voluntary statements from various units, both regular and militia, indicating areas where improvements could be made, for instance, in the administrative field and that kind of thing. Generally speaking, the scale of equipment is inadequate. This was given to us voluntarily, and if you heard it frequently enough you recognized it as well.

Mr. LLOYD: Could you give us some more specific illustrations of this general statement?

Mr. SUTTIE: As far as administration is concerned, it is probably the fact that the principal job is to do the administrative work relating to one parade a week, and in many cases that is a heavy burden.

Mr. LLOYD: You mentioned the scale of equipment was one area of discontent. Could you be more specific on what you mean by "the scale of equipment"?

Mr. SUTTIE: The amount of equipment available in any given unit, infantry, artillery and armoured.

Mr. LLOYD: Would you take a specific unit and give us an illustration of their available equipment?

Mr. SUTTIE: It is difficult to do that without reference to papers. I think there are cases of artillery units, for example, which have just one or two guns. This is not adequate to train them properly. Of course, armoured regiments have a very special problem, for instance the ability to use a tank in only certain areas; and yet more costly equipment is not available at a reasonable scale at the moment.

Mr. LLOYD: Could I pursue this a little further with you, brigadier? In your recommendation regarding the field of public relations you have something to say about the need, in general, for improved public relations. You say that a more positive public relations program in support of the activities of the militia should be implemented immediately. What do you mean by "a more positive public relations program", as opposed to what is happening now?

Mr. SUTTIE: In my experience and the experience of anyone else connected with the militia there has not been any real support of the militia as a necessary force by any level of government since the end of world war II.

Mr. LLOYD: So that they have been in existence and left to their own devices to find ways and means as best they can for officers of these reserve units to attract men to the forces, and that this has not been satisfactory? Is that your general conclusion?

Mr. SUTTIE: Yes. Today, in contrast with the situation before world war II, there is much competition for young men's time. There is T.V. and hot rods, and what have you. Something has to be done to persuade young people that joining the militia is a worth-while activity and a responsibility of the citizen. In my view there is nothing wrong with the young people today provided they are given a good reason why they must do something.

Mr. LLOYD: In this experience you describe of competition for the young men's time, does this apply more generally to the N.C.O.'s and privates? Does this apply also to officers in these various militia units?

Mr. SUTTIE: Yes, I would think so.

Mr. LLOYD: You have difficulty getting officers to the same degree?

Mr. SUTTIE: Yes, to the same degree.

Mr. LLOYD: What attracts an officer to a militia unit?

Mr. SUTTIE: I would think there is a certain social attraction in belonging to a unit. I would think that most of them are also attracted by a sense of responsibility, as something one should do. Of course, they cannot do it to the exclusion of their normal family activities. There are considerably more of them than there were before the second world war, if you recall.

The CHAIRMAN: Brigadier Suttie, would you be kind enough to speak up please?

Mr. LLOYD: Do you find that men who sought officer status in militia units generally came from those who had previous military experience?

Mr. SUTTIE: Well, we are running out of those.

Mr. LLOYD: You did not make any specific study on whether or not officers were recruited for militia from people without previous experience?

Mr. SUTTIE: Not specifically.

Mr. LLOYD: What does the militia offer as an opportunity in becoming a reserve officer to a man without previous military experience?

Mr. SUTTIE: They can join as second lieutenant and qualify as lieutenant, and so on; or if they join as other ranks, they too can be commissioned by qualifying.

Mr. LLOYD: Would you say that generally up until now the officers who are recruited are men with some previous military experience?

Mr. SUTTIE: Generally, yes.

Mr. LLOYD: So, the further you get away from a major war, the more difficult it might be?

Mr. SUTTIE: This is exactly so.

Mr. LLOYD: Do you mean that the public relations should be put to work to identify all the advantages in training with the militia? This presumes, of course, that we will overtake the shortcomings of the present militia operations?

Mr. SUTTIE: Yes.

Mr. LLOYD: This is what I am trying to get at. If you could, I would like you to get away from the formality of a report and give us a frank appraisal of this. When you do business such as you do, you are bound to have some rather sharp impressions in respect of omissions and shortcomings. Would you assume that you had not written a report and give us some of this in detail; could you give us a quick appraisal of the deficiencies in the militia operation as you see them?

Mr. SUTTIE: Probably equipment is one of the principal points.

Mr. LLOYD: Is this a matter of insufficient volume?

Mr. SUTTIE: The scale of equipment available for training, generally speaking, is inadequate.

Mr. LLOYD: Variety?

Mr. SUTTIE: Variety, and in particular the latest type.

Mr. LLOYD: In other words, they are given equipment that is outdated?

Mr. SUTTIE: The equipment they have is obsolete. The problem of equipment today is that the rate of obsolescence is very high.

Mr. LLOYD: One of the omissions would be, then, that an effective militia should be given the opportunity to have training with the latest equipment, equipment which is being used by the regular forces?

Mr. SUTTIE: Yes, and this is very costly.

Mr. LLOYD: There is one other general question I would like to put to you. However, before I go to that, you mentioned scale of equipment; you mentioned that equipment of the kind which presently is being used by the armed forces should be made available to the militia. Is there any other area of omission or activity which would make the militia more attractive to recruits which you think should be supplied?

Mr. SUTTIE: Are you referring specifically to equipment?

Mr. LLOYD: No; any other factors. You mentioned public relations and you mentioned equipment. You also mentioned week end training.

Mr. SMITH: What about their training program, and their opportunity to use the equipment they now have. Is that adequate?

Mr. SUTTIE: As you probably know, they attend annual camp.

Mr. SMITH: But, are the opportunities adequate now?

Mr. SUTTIE: Adequate from a training point of view?

Mr. SMITH: Adequate to stimulate their interest and make them either want to join the militia or continue to be militia men.

Mr. SUTTIE: This would vary with corps. It might be adequate in some instances, and in other instances inadequate. It would be difficult to make a general statement on that.

Mr. WINCH: Can you not be more definite? I am afraid we are getting into generalities when what we want are specifics.

Mr. LLOYD: This is what I was attempting to do. I was attempting to see whether we could get specific illustrations and perhaps go a little deeper than the generalities in this report. You were given the task of examining the operation of the militia in Canada generally—the reserve forces. Your job was not to say, merely, that they have been there, they should not be disturbed, or that in the past they have produced very excellent men for the armed forces, or that in the past morale has been good. As I understand it your job was to examine, very objectively, into this question in an effort to see to what extent the militia should be maintained in the light of present day conditions, conditions of the nuclear age and conditions which exist now internationally. In order to back up our forces in Canada today, what major fundamental differences in concept of organization exist that may not have existed in the past?

Mr. WINCH: And which may be required in the future.

Mr. LLOYD: To meet the conditions of today. Could you give us some specific illustrations?

Mr. SUTTIE: One of the changes which should be made is in respect of the authority of commanding officers. I think there was a fairly general complaint that they did not have sufficient room for decision, or sufficient control over their own training. In other words, the training was too restricted, or the directives on training did not permit any shaping of training programs to local conditions. We feel the commanding officer should have an area of decision, because after all, it is part of his training to be able to make decisions.

Mr. LLOYD: Can you give us an indication of where this lack of decision has operated to make militia operations less effective?

Mr. SUTTIE: There is the difficulty, for example, in arranging a week end training exercise at one of the training areas. This has to be processed through all the various headquarters up the line and down the line. That is the type of thing which irks them. The commanding officer should be able to arrange his training with the commandant of the training area which is available, and then advise headquarters that this has been done.

Mr. LLOYD: Is there, then, a number of steps which have to be taken before the commanding officer can arrange with the area commander for utilization of facilities and equipment for a training program; in other words, there is a deadly routine of red tape to go through?

Mr. SUTTIE: Yes.

Mr. LLOYD: It is a stifling routine; there is a volume of red tape. These are the type of statements in respect of which I would like you to be testifying.

Mr. LAMBERT: Mr. Chairman, could we allow the witness to make the statements.

Mr. LLOYD: I am not getting the answers which should be expected by a committee which is assigned to do a job of this kind. I am not getting the kind of answers which I would expect would come to us in support of this report. I would have expected the brigadier to have said that when they examined the militia operations they found, in the case of the commanding officers of units, exactly what he said a moment ago. As an illustration and only as an illustration, I said to you: "Brigadier, are you telling us there was a stifling deadly routine of red tape between the C.O. and the area commandant which,

if eliminated, would greatly invigorate the direction of the militia by commanding officers?" I used some illustrations. I was hoping the adjectives which I used to describe the situation perhaps might give a clue to what I am trying to seek from you, which is something more specific by way of criticism of the militia operations.

Mr. TEMPLE: Would you mind repeating that question?

Mr. LLOYD: Well, Mr. Chairman, after one year of learning from the seniors in this place, I find that their accomplishments with adjectives are vastly superior to mine.

I see you are putting me to a strange task. Here am I trying to obtain specific details from Brigadier Suttie. I find that committee members are the ones who are acting as counsel for Brigadier Suttie at the moment. I thought you would be with me. I think we have had an interesting story about commanding officers. Now, let us go on to training programs.

The CHAIRMAN: I do not wish to interrupt, but I am trying to apportion the time among the committee members as best I can. Perhaps you might complete this particular question, and then we will pass on to other members and come back to you later.

Mr. LLOYD: I hope to co-operate if I can, but much depends on the answers I receive. With present level of expenditure for reserve forces of approximately $50 million, in terms of cost effectiveness are you satisfied that we are receiving a return on that annual investment of Canadian dollars?

Mr. SUTTIE: I would say not at the moment.

Mr. LLOYD: Can you give us an illustration to supplement what you have already said?

Mr. SUTTIE: The maintenance of units which basically are ineffective is not good value for the money.

Mr. LLOYD: You are submitting all these things about the training program, the authority of commanding officers and so on as set out at pages 10, 11 and 12 as essential elements of a revitalized militia operation, justifying the expenditures of this volume of dollars?

Mr. SUTTIE: That is right. We do not include in our report the sins of the past or even of the present. We looked more at what they required in the future. The reason for the division of the report into two parts was to lay down conditions and criteria which we believe would provide an effective and vital militia force. We felt that by putting it all under one part, when anyone examined it he would spend most of his time looking at the answers in the back rather than at the principles in the front. We felt that the recommendations which we made in Part I were essential conditions to get value for the taxpayer's dollar and to provide a sensible and reasonable background for the regular forces.

Mr. LANIEL: I have a supplementary question.

The CHAIRMAN: At the last meeting I allowed a wide variety of supplementaries in order to see how it would go. I found that the supplementaries varied so far from the original questions that they tended to open up new topics. I think, if the committee is agreeable, we should revert to our former procedure and limit supplementaries, allowing each committee member an opportunity to ask his questions, and the other members may raise supplementaries when their turn comes. If this meets with the approval of the committee, I think it would make for a more orderly procedure.

Mr. LANIEL: This one would actually fit in at the moment.

The CHAIRMAN: Well, if your supplementary question is very specific and short, very well.

Mr. LANIEL: The Brigadier has said that he does not agree with the conclusions of the brief as submitted by the Conference of Defence Associations.

The CHAIRMAN: I think this would be opening up an area which you could deal with separately when your turn comes. Now, Mr. Lloyd.

Mr. LLOYD: I think that perhaps I have stimulated some questions. So heeding your observation that you would like other members to follow, I suppose they will follow. I have not been too successful, although I think I have had some success. However, I now leave it to the other members of the committee.

The CHAIRMAN: Now, Mr. Lambert.

Mr. LAMBERT: To deal particularly with the question of equipment, your observation is that you felt the equipment was inadequate in variety and kind. Do you think it is feasible to issue a fairly generous scale of equipment to the units which would use this equipment, and that they should have more specialized equipment in their hands rather than to have it held in a common pool? What do you assess to be the deficiencies or the value of either program?

Mr. SUTTIE: I think that if more regular army assistance was provided to the unit, the unit would be in a position to hold and care properly for more equipment than it is able to do at the moment. The general practice is for equipment to be pooled and sent out to units as required. This does not always mesh properly with the training requirements and the number of units involved. But with regular army support they could hold more equipment, and therefore have more flexibility in planning their training.

Mr. LAMBERT: To use an illustration in terms of gunners or tank men, do you feel that the artillery militia unit should have more guns right within their units, or that this equipment should be held in a pool to be used on a scheduled basis, bearing in mind the different ranges, and so on?

Mr. SUTTIE: I think a battery should at least have a troop of guns. That is the smallest unit, because the care and maintenance of equipment are very much a part of a gunner's training. If they see a gun only when they pick it up and have a training exercise, they are missing part of their training.

Mr. LAMBERT: How about the army? What did you find there? What scale of distribution do you have for tanks?

Mr. SUTTIE: The scale is very limited because the availability of tanks is very limited. There is an opportunity to use mock-ups and that type of thing to train tank crews.

Mr. MATHESON: I have a supplementary question. Do you consider that a worth-while establishment should be a full troop?

Mr. SUTTIE: I said that was the minimum.

Mr. MATHESON: That is exactly 50 per cent of its establishment full time.

Mr. SUTTIE: Yes; but they could train with a troop of guns. It is very difficult to train a battery with one gun, which happens to be the case in some instances now.

The CHAIRMAN: I would prefer it if you would pursue your questions later, Mr. Matheson.

Mr. LAMBERT: Your conclusion is that this type of equipment should be issue to militia units on a greatly expanded scale.

Mr. SUTTIE: Yes, of course.

Mr. LAMBERT: Subject to budgetary limitations?

Mr. SUTTIE: I recognize, of course, that much of this equipment is very expensive indeed.

Mr. LAMBERT: Is it available?

Mr. SUTTIE: Probably not in the quantity required to look after the armouries at the moment, but I believe the artillery should be able to have a redistribution of guns which would satisfy their needs.

Mr. LAMBERT: In so far as gunners are concerned, and just using gunners as an illustration, do you find, with the degree of co-operation between the regular forces and the militia, let us say in an area such as Winnipeg, again using it as an illustration, where there is a gunner battery stationed, that the militia units are able to use the equipment there with the desired degree of co-operation, or does everybody say "This is my pea patch and I am going to look after it?"

Mr. SUTTIE: I think in areas where there are units of the same regular corps they co-operate extremely well with the militia and are very pleased to do whatever they can to assist them.

Mr. LAMBERT: Thank you.

Mr. SMITH: I think in answer to Mr. Lloyd you said the rate of turnover in the militia in respect of enlisted and commissioned men was quite high, did you not?

Mr. SUTTIE: Yes.

Mr. SMITH: In your report, appendix A, which is the terms of reference, you were given certain force figures and requirements on mobilization. You referred, for example, to 9,000 required in an emergency to replace certain defence forces, and 1,500 for specific tasks. Did you give any consideration to the total number of persons we should have in the militia in order to produce these figures, and I refer again, for example, to the 2,500 militia men needed for security duties? When you were preparing your report did you make any recommendation or give any consideration to the number of men required for enlistment in militia units to produce that 2,500 figure?

Mr. SUTTIE: That information is contained in Part II.

Mr. SMITH: That information is in Part II.

I am not mentioning specific units, but did you use any percentage criteria in order to produce the 2,500 security men figure? Do you feel that there should be ten per cent, 20 per cent or 30 per cent more than the enlistment?

Mr. SUTTIE: We did not use a precise percentage and I do not think anyone knows what it is. Obviously, if we are going to produce 30,000 for these four roles we must have at any given time considerably more than 30,000. Perhaps 25 per cent is a more accurate figure than ten per cent. I also think that the requirement would vary with the intensity of the situation and the emphasis would shift.

Mr. SMITH: Again, without in any way prying in respect of specific units, we can assume that in Part II of your report you have provided for enlistment in the militia greater than 30,000?

In respect of your terms of reference, what criteria did you use in preparing recommendations regarding which units should be retained and which should not be retained?

Mr. SUTTIE: The question of numbers alone does not represent a complete criteria.

Mr. SMITH: Yes.

Mr. SUTTIE: The existence of units geographically had to be considered.

Mr. SMITH: Yes.

Mr. SUTTIE: Our situation, as in any other business, is complicated by distance.

Mr. SMITH: Yes, that is very true.

Mr. SUTTIE: One might assume that in three or four metropolitan areas one could obtain the total requirement, but there must be sufficient outlets or intake points left in, if you want to put it that way, in the event of an emergency so that you have a collection area for recruitment for any build-up that would follow.

Mr. SMITH: What consideration was given to the present apparent efficiency of units? Was that one of the criteria that was used?

Mr. SUTTIE: Yes, the efficiency of a unit was considered as well as the present strength, recognizing of course that the strength of units fluctuate.

Mr. SMITH: Would consideration be given to the fact that some units are better reporters than other units?

Mr. SUTTIE: Without being cynical I think we did take that into consideration.

Mr. SMITH: I think one does not have to be cynical but realistic.

Mr. SUTTIE: Realistic perhaps is a better word to use.

Mr. SMITH: You took that factor into consideration, and the mere fact that a unit is apparently strong at the present time would not in itself be enough reason to retain that unit?

Mr. SUTTIE: No, the unit would have to meet other criteria as well.

Mr. SMITH: To conclude my questions in respect of appendix A, and this may be repetitive, the recommendations in Part II of your report do not visualize the total strength of the militia as 30,000 but visualize a percentage in excess of 30,000?

Mr. SUTTIE: Yes. The revised establishments for the militia would greatly exceed 30,000, perhaps by 25 per cent or by whatever figure you decide to use. I do not think it is possible at this moment to know what the actual enrolment will be, because certain units can only come up to certain strengths, whether it is 80 per cent across the board or otherwise, and this will not be known, but will depend on the number of conditions in respect of the revitalized militia implemented and the interest stimulated in the localities.

Mr. SMITH: Perhaps I could now turn for a moment to a consideration of some of the recommendations for improving the militia contained in your report. You stress public relations. In the last seven years one of the great thorns between the public and the militia, certainly in my area of Canada, has resulted from the difficulty of obtaining authority to use armouries for public purposes when the militia units are not using them. Has that situation been brought to your attention?

Mr. SUTTIE: I think reference is made to that situation in my comments regarding the authority of the commanding officer. The commanding officer should have the authority without going through a cumbersome process to say that someone may have a flower show in the armoury, because armouries are the property ofthe public, and if they are being used only two nights a week by the militia it would not make sense that a responsible organization could not use them when they are not being used for another purpose.

Mr. SMITH: Any responsible organization should be able to obtain a quick decision from the local C.O.

Mr. SUTTIE: That is correct, because if there is this kind of reform established locally the unit will benefit.

Mr. SMITH: Do you think the decision should be made by the subunit commanders?

Mr. SUTTIE: Yes, if there is a subunit in existence, of course.

Mr. SMITH: Do you think the decision should be made by battery commanders?

Mr. SUTTIE: Yes, and made on the spot.

Mr. SMITH: Yes.

Mr. LLOYD: This would circumvent Parkinson.

Mr. SMITH: You have referred generally to flower shows and I agree that if possible the armouries should be used seven days a week. Do you think it would be possible for provisions to be made to regularize the use of armouries by air cadets and naval cadets when there are navy league and air cadet units in the locals?

Mr. SUTTIE: Yes indeed. The unification, which is another picture altogether, should encourage this sort of thing.

Mr. SMITH: Do you think moonlighting is a factor in enlisting people into the militia?

Mr. SUTTIE: I think there are many instances in which people who have a five day week job do moonlight.

Mr. SMITH: And they sometimes enlist in the militia for the income?

Mr. SUTTIE: I do not think the money itself is the prime consideration; it is an important one with most of them. I do not think any unit that has a strength made up of moonlighters is in very good shape.

Mr. SMITH: My final question comes back to the militia. You speak of having a more modern militia. Would you agree that if the commanding officers were permitted freer use of the equipment they already have it would help to stimulate their activities and interest in the militia?

Mr. SUTTIE: I would agree, of course; yes.

The CHAIRMAN: Mr. MacLean.

Mr. MACLEAN: Brigadier Suttie, have you noticed any variation in the general efficiency of militia units, or is their efficiency uniform across the country? By this I mean their morale and strength relative to establishment and so on? Is there a fluctuation across the country, or are they fairly uniform?

Mr. SUTTIE: I would think there is a wide variation.

Mr. MACLEAN: This leads me to my next question. Does this wide variation follow any discernible pattern? For example, is there a pattern from command to command? Is there a pattern from large urban centres to small towns, or from types of units, such as from infantry to artillery? Is there any pattern that can be discerned?

Mr. SUTTIE: I think generally units fluctuate with the interest and enthusiasm of the commanding officers; that is basic. Between commands there is a fluctuation owing to the difference in regular army interpretation of instructions from army headquarters. This can have a bearing on morale. Everything that goes through three or four levels sometimes becomes distorted, and if the distortion is extreme the recipient probably can be frustrated, and all the rest of it.

Mr. MACLEAN: Is there any noticeable difference in efficiency between the large metropolitan areas and the smaller more isolated locations?

Mr. SUTTIE: I think the metropolitan areas have a very special problem. They have to work harder to hold impetus. In the smaller communities the local unit has more significance. Of course, it depends a great deal on the amount of support they obtain locally.

Mr. MACLEAN: Has any study been made on the basis of starting with perhaps the best militia units in the country and trying to discern why they are the best, and all the factors that make them the best, in an attempt to apply these things to the less efficient units and to make corrections in the general picture?

Mr. SUTTIE: One might be able to determine the conditions that make one unit better than another unit, but one might not be able to duplicate those conditions in another locality. Generally speaking, it varies for very recognizable reasons.

Mr. MACLEAN: Is there a great variation in the efficiency between the various corps in the militia, the types of unit? Are some types more attractive to militia men than others?

Mr. SUTTIE: It would appear that the rate of recruitment is fairly uniform. In any locality where there are three or four units there are those who are interested in artillery and those who are interested in infantry. There is an indication, of course, that in some areas there are too many units and they are competing with each other for a relatively small group who are coming in; in other words, they are cutting it too fine.

Mr. MACLEAN: What about the effect of the facilities available to a particular unit? I am thinking of armouries, and not only armouries in the traditional sense but also the availability of suitable training areas where artillery units or amoured units can exercise, and this sort of thing. I would imagine that in some areas it is very difficult to have, for example, an artillery unit which can function satisfactorily in its training role.

Mr. SUTTIE: That is perfectly true, and unless the armoured units and the artillery units can at least have an opportunity to practice with their equipment in training areas it is very hard to maintain interest.

Mr. MACLEAN: With regard to armouries—and I am thinking now actually of buildings—is there a relationship between efficiency and interest and the kind of accommodation they have? In my riding, for example, to take a parochial view, we have armouries which were donated to the federal government in 1873 for $1. I believe that in a tentative program of new armouries, the possibility of constructing new armouries in various areas, this was one of the localities to which consideration for improving the facilities was given. However, is any consideration being given to improving the facilities for militia units in some areas of the conutry where the facilities are extremely deficient?

Mr. SUTTIE: In part II of the report we make specific recommendations where the situation is quite critical. Yet there are contradictory situations which make one wonder how they can put up with the type of armoury they have, and yet they do extremely well.

Mr. MACLEAN: I suppose the reverse is true, that there are locations where there are excellent facilities and where they do not do so well.

Mr. SUTTIE: That is quite right.

The CHAIRMAN: Mr. Deachman.

Mr. DEACHMAN: Mr. Chairman, I think most of my questions have been answered by Mr. Smith, but I would like to review a couple of these for a moment. May I turn to page 25 of the white paper. The first clear paragraph on page 25 begins with the words:

> The primary role of the militia is to support the regular army.

It then goes on to describe what the militia role is, and that paragraph ends with the sentence:

> The ministerial commission—

That is the Suttie commission

> —will advise in respect of the best organization to fulfil these roles.

My first question is simply this: In regard to the militia, that policy was first laid down in a white paper. Is that not so? Actually, then, your commission, the ministerial commission, was a commission which was given a directive to produce a plan based on a policy which had already been laid down within the white paper? Is that not correct?

May I now turn—

Mr. WINCH: May we have the answer to that question?

Mr. DEACHMAN: You agreed, did you not, Brigadier Suttie?

The CHAIRMAN: Will you repeat the question as we do not have the answer on the record.

Mr. DEACHMAN: My question is this. The white paper lays down the policy with respect to the militia, and I am referring particularly to the paragraph on page 25 of the white paper. Is that not so?

Mr. SUTTIE: That is correct, yes.

Mr. DEACHMAN: The purpose of your commission, then, was to produce a plan to carry out the policy recommendations which are set out within the white paper?

Mr. SUTTIE: When I was first approached on this matter the Chief of the General Staff, who is admittedly the expert in such matters, spent a great deal of time briefing me on the new concept, the requirements, and so on. Agreement to that was part of the business of deciding to take on this job, as no one in his right mind would volunteer to do!

Mr. WINCH: Then you did not have a free hand on investigations?

Mr. SUTTIE: I did, indeed.

Mr. DEACHMAN: But, the point I want to make clear to the members of the committee is that the policy itself was firmly established in the white paper before your own report began?

Mr. SUTTIE: The white paper was issued sometime in March, I believe—

Mr. DEACHMAN: Yes.

Mr. SUTTIE: —and the terms of reference for the commission were approved on January 14. I was submitted a copy of the terms of reference and was asked to examine them and make any changes. Certain changes were made. But, before the commission was set up the terms of reference had been accepted by me.

Mr. DEACHMAN: Then, these terms of reference were embodied in the white paper as defence policy?

Mr. SUTTIE: I think we indicate in the report that the white paper was received after we had started business and that we did not find our objectives altered or affected materially by the white paper for this specific job we were asked to do.

Mr. DEACHMAN: Am I correct in saying then that the terms of reference which appear in your report and the paragraph which appears at page 25 of the white paper form the broad defence policy in respect of the militia?

Mr. SUTTIE: Certainly they are compatible.

Mr. DEACHMAN: Then, your report goes on to set out a plan within the framework of that policy.

Mr. SUTTIE: That is correct.

Mr. DEACHMAN: Therefore, the terms of reference to you, on which you worked, become more of a directive really than terms of reference for the production of a plan based upon a policy which you already had been given and had agreed to.

Mr. SUTTIE: I would not regard it completely in that light.

Mr. DEACHMAN: In what light would you regard it?

Mr. SUTTIE: The terms of reference were related specifically to the reorganization of the militia in the light of the new concept which was established as part of defence policy. I did not regard it as a directive or an instruction. The terms of reference outline the requirements and are deliberatly very broad so we were able to investigate virtually anything we felt had a bearing on the matter.

Mr. DEACHMAN: Sir, I want to refer to appendix A, at page 43, which are the terms of reference, and particularly to the wording of that paragraph which is about half way down the page, which reads as follows:

> The militia will be required to form the framework for logistic and special units which are not provided in peacetime.

The next paragraph begins by saying:

> The second role for the militia is to provide a training force which will be required in time of emergency to support the field force.

Then, later on, in the second last sentence of that paragraph, it says:

> It will be built up in stages in accordance with the situation existing at the time and it must also be available for the defence of Canada and other tasks.

The last paragraph on page 43, beginning at the end of the first line, sets out these words:

> the militia will be required to provide trained officers and men for the guarding of key points

And so on. The point I want to make is that this is the language of a specific directive rather than language of the terms of reference, and the specific directive is that you set out a plan for making available the numbers of militia men in the categories set out on pages 43 and 44, and the policy in regard to this already had been very clearly set out at page 25 of the white paper and on pages 43 and 44 of the appendix. Is this not correct?

Mr. SUTTIE: Well, it certainly is the responsibility of the general staff and the minister to determine what the requirements are.

Mr. DEACHMAN: And this is where they were set out by the general staff and this is where the requirements were set out?

Mr. SUTTIE: And, they were explained to me in sufficient detail that it seemed to make sense.

Mr. DEACHMAN: In the schedule it shows 9,000 for logistics force.

Mr. SUTTIE: As a number?

Mr. DEACHMAN: Yes.

Mr. SUTTIE: This was the conclusion of the general staff.

Mr. DEACHMAN: And, field force of 18,000, key points guard of 2,500 and national survival units of 1,500. These were the specifics given to you upon which to draw your plan.

Mr. SUTTIE: They were the numbers related to the respective roles they had arrived at in their judgment and knowledge. I am not an arm-chair strategist but they seemed to make sense to me.

Mr. DEACHMAN: You were not asked to vary or comment upon that number but to find ways and means of providing that number.

Mr. SUTTIE: That was my understanding.

Mr. DEACHMAN: Those were the terms of reference or directive, or whatever you want to call it, given to you?

Mr. SUTTIE: Yes.

Mr. DEACHMAN: I have another question which is along the same lines. Did you discuss budget as you were being briefed on the question of the terms of reference in respect of what the annual cost of the militia would be?

Mr. SUTTIE: We were given the present costs in considerable detail before we actually started operations and we spent two full days, during which the members of the whole commission were briefed by the respective departments in order to get some understanding and appreciation of the over-all problem. We did have a detailed briefing from the director of budget.

Mr. DEACHMAN: Was a budget target or figure suggested to you to work on?

Mr. SUTTIE: At no time.

Mr. DEACHMAN: When you discussed budget you only discussed it in terms of the historic budget figures of the militia?

Mr. SUTTIE: And the estimates as they existed at that time for the current year.

Mr. DEACHMAN: And the estimates for the current year. Were any forecasts shown to you in respect of what they expected the militia figures to be for the future?

Mr. SUTTIE: No.

Mr. DEACHMAN: Therefore, in dealing with this force of 31,000 you did not deal with it in terms of budget figures?

Mr. SUTTIE: Not as a cost.

Mr. DEACHMAN: I have one final question. When you looked at this figure of 31,000 did you look upon it as numbers which the department or the chiefs of staff expected you to deliver when called upon? Was it within the terms of reference that what you were expected to have on hand was a 30,000 or 31,000 figure when called upon?

Mr. SUTTIE: I will answer that question this way. The members of the commission did not regard this as an operation to reduce from the present total to 30,000. The explanation of how this figure was arrived at, given to me by the chief of staff, was that it was going back to the beginning on a build-up and was not related to the present total in any way; and in respect of the 31,000 figure, it was recognized that if you want 31,000, then there must be more than that available at any given time.

Mr. DEACHMAN: This was your clear understanding, as you set about doing your test, that if you were going to produce 31,000 you would have to have more on strength than the 31,000. Are you able to say now, having completed your survey, what strength you would want to see on hand in a round figure?

Mr. SUTTIE: In round figures possibly around 40,000 plus.

Mr. DEACHMAN: And what is the current strength of the militia?

Mr. SUTTIE: It is 48,000.

Mr. DEACHMAN: So you are not anticipating any appreciable reduction in the strength of the present enlisted persons in the militia?

Mr. SUTTIE: If the various recommendations concerning age, and this sort of thing are applied, there will be quite a reduction.

Mr. DEACHMAN: There would be an upgrading, that is to say, you are looking at it from the standpoint of a weeding out of certain members within the force now on the basis of age and the like, but that these would be replaced actually by more physically sound militia men.

Mr. SUTTIE: Exactly.

Mr. DEACHMAN: You are proposing that the strength not be reduced but that the physical requirements be upgraded. Is that correct?

Mr. SUTTIE: This will take some time to adjust. Initially, it may be a cut-back, and then a build up. To the extent that the 31,000 can be completed and clearly available, the overage you must carry will be reduced. If we carry a lot of ineffective people from the point of view of being able to take the field, then we are going to have a great many more than the 31,000.

Mr. DEACHMAN: This leads me to the question whether the interested militia man in Canada today, in reasonably good physical condition, need not fear that he is to be struck off strength under the existing plan.

Mr. SUTTIE: No. If he is healthy and interested he will be kept.

Mr. DEACHMAN: Finally, I want to ask whether it is possible that he may have to find himself posted to another unit in the revision of the militia.

Mr. SUTTIE: Yes. In certain areas where there presently appears to be too many people competing for the number available he will be given the opportunity, I would hope, of joining another unit. If he is really keen in being a militia man, changing his hat badge will not be that serious a problem.

Mr. DEACHMAN: Can you give us an idea on your schedule for implementing your recommendations?

Mr. SUTTIE: This is the part that is now in the hands of the department. Our job was effectively finished when we delivered the report. To what extent it is accepted, and keeping in mind the time interval before implementation, is a matter for decision within the department.

Mr. TEMPLE: Brigadier Suttie, which units—and I do not expect you to refer to them by name at all—were the least effective and worst equipped? By that I mean infantry as opposed to armoured, and artillery. Did you find, for example, that the infantry were generally more effective or better equipped than the others?

Mr. SUTTIE: Yes, the infantry because of the nature of their equipment are more easily equipped. However, even there the scale of personal weapons is not adequate. I think that every infantryman wants his personal weapon. If he is not armed, he is not an infantryman, and unless he has his weapon to care for, he is not armed.

Mr. TEMPLE: What group was the least effective?

Mr. SUTTIE: You mean what corps?

Mr. TEMPLE: Artillery or infantry?

Mr. SUTTIE: It varies with the geographical location. In some areas the armoured is at the bottom of the pole, in other areas it might be the artillery.

Mr. TEMPLE: You were able to say that the infantry was at the top of the pole, can you say who is at the bottom?

Mr. SUTTIE: No, I cannot, not that easily. I do not think that I said that the infantry were at the top of the pole.

Mr. TEMPLE: You said that the infantry is probably, by its very nature, best equipped.

Mr. LLOYD: I have a supplementary question here.

The CHAIRMAN: I hope it is right to the point and short.

Mr. LLOYD: Yes, it goes right back to the beginning when you said you were more concerned objectively with identifying roles for the future because you felt that it would be a waste of time to try to look at the experience of the past. Is it not in essence what you said?

Mr. SUTTIE: Yes. Obviously, we are all taxpayers, and where it was apparent that an operation was ineffective or inefficient, as taxpayers we felt this was not good. That same amount of money could be applied to some other area or some other unit and could produce better value.

Mr. LLOYD: It was not the case of merely amending the existing policy but of forming an entirely new policy.

Mr. TEMPLE: What percentage of the 46,000 militia that we have at the present time is effective?

Mr. SUTTIE: Do you want a ball park answer on that?

Mr. TEMPLE: As exact an answer as can be given in the circumstances.

Mr. SUTTIE: Considering the time available to us, which was only four months, we were not able to examine it in detail. For example, I would think that in many of the so-called fighting units—infantry, artillery and armoured—a lot of the N.C.O.'s and a lot of the officers are beyond the age for field service. They are doing a good job in training, but in the new concept they would not be available for service.

Mr. TEMPLE: What percentage of the 46,000 militia men do you believe are effective?

Mr. SUTTIE: The reported strength of the militia is the number on strength. A militia man who attends every parade might only be 50 per cent of the reported strength in some units. In other units 80 per cent might be on parade. Under the present rules a militia man can go to one parade, miss two, turn up on the fourth, and still get paid.

Mr. TEMPLE: Could you give me the ball park figure on it?

Mr. SUTTIE: Let us say 50 per cent. Mind you, there are a lot of first class younger people in the militia, and the full effect is not yet apparent. However, this so called young soldiers program should, in due course, produce a lot of good recruits for the militia units provided all these other things that make the militia interesting are implemented.

Mr. LANIEL: Mr. Chairman, to come back to the supplementary questions I did not ask, Brigadier Suttie, the Conference of Defence Association says that the reserve provides good value for the defence dollar. Some other people even say that they give better value for our defence dollar in comparaison with other military units in Canada. Are you of the opinion that this is really more a question of image which the militia or the reserve give to the population because of the strength on paper of the different and numerous units that we have across the country, in comparison with the real effectiveness of these people?

Mr. SUTTIE: I think it is a matter of degree. I am satisfied we can get better value for our dollar than we are getting at present. It is a matter of opinion whether we are getting value at the moment.

Mr. LANIEL: At page 45 in your comments on the terms of reference, the first paragraph talks about physical fitness and states:

> The training of the militia requires study of the need for constant physical fitness of all ranks for immediate service, the training assistance required from the regular army and appraisal of the best method of training that can be achieved in the present day pattern of living.

Do you think in the militia this really is possible?

Mr. SUTTIE: I do not think with the present time available for training that you can afford to waste too much time on p.t. and that type of thing; but more time can be spent on this, provided the facilities are available. It would

be a very dangerous thing in the heart of winter in Edmonton to give militiamen an hour of p.t. without the opportunity to change. So, unless the facilities are available it is not on.

Mr. LANIEL: I do not think it is a matter of facilities. You mentioned the lack of authority of the commanding officers, and things like that. This may not be what you had in mind, but I do not think it is a good thing to go out and have an hour of p.t. if you then have two hours of beer after this and a late night. This really does not help the physical fitness of a recruit.

Mr. SUTTIE: With the young people I think it is possible to stimulate interest in being fit in the same way older people take an interest in calories when they start getting the middle aged spread.

Mr. LANIEL: I am wondering about the old concept of the militia. Personally, I am of the opinion that you really were restrained by the terms of reference which did not give an opportunity to look into the principles of the militia. I even ask myself whether or not your committee should have had the opportunity, let us say, to go into one of the possibilities which is close to my heart, compulsory reserve training, things like that, or other fields of organization.

Mr. SUTTIE: In the present day situation it is accepted that forces in being are a requirement if we are to provide a backup to the regular force personnel who are reasonably well trained in all arms, and with some knowledge of their corps training. This is infinitely less costly from the taxpayers' point of view than having them on the strength of the regular army.

Mr. LANIEL: In referring to what you said about the cost of the reserve, is not one of your secondary aims, arising from the terms of reference, a reduction of units and personnel? I think that aim, too, might be limited, because if you look at page (vi), it states:

> In part I will be found the criteria and conditions which, in the opinion of the commission, are best calculated to produce an efficient militia capable of undertaking the roles assigned to it by the terms of reference.

On the other hand, if you look at pages 44 and 45 you will find:

> Conclusions should lead to recommendations on the numbers, types, and locations of units of each corps that should remain in the order of battle of the militia—

Then on page 45:

> It is expected of the commission to recommend the selection of units to meet the aim of a reorganized Canadian army militia—

I am wondering whether the department was looking to your commission to be the man with the axe to chop off instead of asking you to make an orientation of the militia?

Mr. SUTTIE: No; we were not given any instructions in that direction. I was present alone and was briefed by the chief of staff and the associate minister. The members of the commission had the same reservation, largely because of the suggestion which had been carried in the press that there was a 40 per cent cut, or whatever it was, in the militia. They had not the advantage of the briefing session I had had with the associate minister and the chief of staff. The associate minister met with us before we started our first session. At that time he satisfied them, as he had me, that this was not an axe wielding operation, but was a constructive approach in an effort to arrive at figures which would be determined by exports. We were asked to make exactly what the name of the commission indicates, a study into the reorganization of the militia. This is exactly what we tried to do as best we could.

Mr. LANIEL: Let us hope that Part II gives us that impression. Will you comment on what is said at page 12 of the submission of the Conference of Defence Associations when they say that your statement concerning co-operation of the commission with the Conference of Defence Associations is not completely accurate because you have not aproached them?

Mr. SUTTIE: That again is a matter of opinion. Certainly, I could not disagree too much with an association which endorses part I almost completely. I think there is a misunderstanding in the intent of the terms of reference. I believe it said it was recognized that during the course of our deliberations we would consult with the Conference of Defence Associations through the executive committee. Now, there is a great difference between consulting and consulting with. Had the terms of reference said we would consult, this would have suggested that we would turn to them for advice and guidance. However, consult with has quite a different concept. We did consult with them; we met them in Toronto, had lunch with them, and as you probably know, they had a member of the executive on the commission who was given a free hand in reporting at his direction to them on anything which he felt they should know. Further, on May 13 I was in Toronto and gave them an opportunity to meet with me. Unfortunately, they were all away with the exception of the past president and the member who was on the commission. I spent an hour and a half with him. I do not think they have been badly treated as is suggested in their brief.

Mr. LANIEL: Thank you.

Mr. SUTTIE: Mind you, I would not want to make an issue of the matter.

Mr. MACINNIS: Brigadier Suttie, you emphasized the necessity of physical fitness in the militia, and in answering Mr. Deachman a few minutes ago you said that if a member of the militia is healthy and interested, he would be kept. I would submit there is a difference between health and physical fitness. I do not desire to cast any reflections on any member of this committee, or on any of those who are at the head table, but I would say they are healthy but—speaking for myself—they are not physically fit. If you think you are, I can give you a very simple test.

Did the commission during its hearings have any professional advice from qualified physical training instructors, and if so, what were the recommendations of these professional or qualified people?

Mr. SUTTIE: No, not specifically.

Mr. MACINNIS: Where did the recommendation come from in reference to equipment? For example, on page 17, you speak of ground mats, which I agree can be very useful; and parallel bars and wall bars and so on. Where did such recommendations come from in a physical fitness program for the militia?

Mr. SUTTIE: This was suggested, as a matter of fact, by one of the senior regular officers.

Mr. MACINNIS: Is he a qualified physical fitness director?

Mr. SUTTIE: This particular one is, yes indeed.

Mr. MACINNIS: How can he recommend the use of parallel and wall bars which require specific and careful training for the individual using them in a physical fitness program? Was this a question put to him? Where in the Canadian permanent army can you find a physical fitness program being carried out, on a mass scale, with parallel and wall bars? This does not add up to the type physical fitness program which could be adapted on a mass scale with a large number of recruits. To me it does not appear to be a very sound recommendation on the part of your qualified senior officer who was speaking on the matter of physical fitness.

Mr. SUTTIE: Well, there are available in the army physical instructors who could be posted or made available to units for a program, if they are interested.

Mr. MACINNIS: I realize that instructors are available, but I am thinking of this type of equipment being made available to militia units or permanent forces. This equipment is no doubt stored somewhere. I suggest it is of very little use to any fitness program that the army or militia may undertake.

Mr. SUTTIE: I think it is admitted generally that in one night you can not do a physical fitness program and have your training as well. But in certain areas, if you had a leader, he might be able to stimulate young fellows to come out another night in the week to learn how to tumble and do these things.

Mr. MACINNIS: That is quite possible, but there again, as you have indicated in your brief, it is left to the initiative and interest of the recruit himself to maintain these standards.

Mr. SUTTIE: It has to be stimulated, obviously.

Mr. MACINNIS: It could be considered as an official parade. There is however in physical fitness standards this ability to pass a medical test. Possibly everybody here could pass a medical test and get into a militia unit or the army. But they have no set standard. Is that true? I mean, a recruit who is perhaps 18 or 19, or even one who is 35 or 40 would not be required to perform any physical fitness task to qualify himself as being physically fit, such as running a six minute mile, or something like that?

Mr. SUTTIE: No.

Mr. MACINNIS: Do you not agree that a physical fitness standard should be included in any medical test which would be applied to recruits coming into the militia?

Mr. SUTTIE: This might preclude the enlistment of a lot of people.

Mr. MACINNIS: That is exactly what I am getting at. It would preclude the enlistment of a lot of people who are not physically fit to begin with, therefore they would not be able to come up to the requirements as suggested to be physically fit.

Mr. SUTTIE: I think it would be much sounder to enlist them if they are healthy, and then to make them physically fit after they get in.

Mr. MACINNIS: How do you propose to do this with parallel bars?

Mr. SUTTIE: I am not a physical training instructor.

Mr. MACINNIS: That is exactly what I am getting at. You may suggest that there are more important things, but I have found that a physically fit person is more mentally sharp than one who is not physically fit.

The commission has seen fit to emphasize physical fitness within limits. I would be very much interested to see if militia groups have qualified persons, and if necessary, if they could send them along to the regular army physical training schools in order to make sure that the units do have personnel available to give this type of training. The mere supplying of this equipment will not do it.

Mr. SUTTIE: Not in itself by any means. But if it is supplied it would help. Actually this is a very abbreviated proposal. I might give you full details of this proposal. It was suggested that if equipment were made available there would be no problem in taking N.C.O.'s from a unit and qualifying them as p.t. instructors who are able to run classes in the unit, at proper army schools, and not just putting these bars on the wall and saying "Away you go." You would find that you ended up with broken arms and broken heads.

Mr. MACINNIS: That is true. I only suggest that it would be more effective to apply the funds available for this type of equipment to supplying trained

and qualified personnel who could bring about a course of physical fitness without this type of equipment, and that this would serve a much better purpose. I think there is still far too much money spent. I had experience with the regular forces myself with such equipment. I think it would be better to qualify more personnel who could create an interest in a physical fitness program which did not require parallel bars, wall bars and so on, of which you seem to have quite a bit lying around unused.

The CHAIRMAN: I have Mr. Matheson next, on my list, and following him Messrs. Asselin, Winch, and Fane.

Mr. MATHESON: The tenor of your report as I understand it, and the comments to this committee indicate your search for a more viable militia role, as you refer to it, within the concept of the terms of reference. You have not been very free to go beyond those terms of reference.

Some months ago this committee was in Europe looking at our elite brigade there. It was perfectly clear from the evidence we had that they were underequipped in many areas. I am disturbed by the answer you gave that you were seeking to give control of a fully equipped troop of guns to each battery of artillery.

In your seeking for a more viable role within these terms of reference, does it not occur to you as sensible that a dollar invested in a lightly equipped force, such as the infantry, would be infinitely more valuable in this over-all program than to be invested in heavy capital equipment such as armour and medium guns?

Mr. SUTTIE: I think the ratio of infantry units to other units would indicate that this is recognized.

Mr. MATHESON: You do recognize this?

Mr. SUTTIE: Yes.

Mr. MATHESON: Having in mind that which is set out in the white paper and the list of priorities, there is apparently an indication of the intention of the government to orientate in favour of light mobile peace keeping type forces rather than the traditional type of establishments we have been thinking of even as late as world war II. Would you not think you must improve the requirements of a viable militia role by picking young men, placing the training emphasis on the skills of the infantryman alone, seeking to advance as many of them to commissioned and N.C.O. status making this an elite training force which may be called upon to play another role, rather than building up establishments?

Mr. SUTTIE: I think you must provide the supporting arms as well as the infantry, because even a light force is a mixed bag and does not contain entirely all infantrymen trained in all corps. In the first instance men are trained in basic common to all arms subjects. In other words, we hope we can produce a reasonably well trained militia man who might be an armoured corps man, a gunner, a signal man, an engineer and so on. He would not be fully trained really in his specialty, but he would be fully trained in common to all arms subjects.

Mr. MATHESON: You have itemized a good number of references and I presume you are familiar with the contents of those. Has consideration been given at all by your commission to the greater and stronger reserve forces in other national militias, and I am thinking of the territorials in England where I believe there has been greater emphasis placed on light field forces rather than regular establishments?

Mr. SUTTIE: One of our members did spend two days with the territorial people in England and found out what they were doing. We recognize, in Part II of the report, that there has to be some kind of a corps d'elite to stimulate

and hold interest. This type of special unit is really a specialized infantry unit in terms of equipment, and so on. The territorial army, of course, is still set up on a divisional basis with armour and tanks. Of course, they have a different problem in that they have a larger population and a smaller country, and can do things in the way of training that we could never attempt to do. That is not a parallel situation. There are many things in common, in particular the fact that we are now both on a voluntary basis.

Mr. MATHESON: I do not wish to delay the committee's progress but there is one thing which I personally feel is something of an oversight in this report. Having in mind that we are approaching the 100th anniversary of this country and the existence in the country of a militia with dignity and pride, of some national importance, perhaps even from the standpoint of security, has this commission given consideration to the importance to Canada in the next two or three years of having an excellent militia unit which can participate in drills at various places such as Fort Frontenac in the Kingston area, and the Upper Canada Village, where there is a great demand for troops which can be turned out well and can foot drill and parade, as they do now on many occasions? Has this idea been considered?

Mr. SUTTIE: We did not give specific consideration to that idea.

Mr. SMITH: That subject was not included in the terms of reference.

Mr. MATHESON: Are you not overlooking this matter?

Mr. SUTTIE: No. We did not go into that idea specifically. I would hope this report is just a base and that these things will be pursued and developed. We have hinted at things which were not possible to develop properly in the time available. It is quite important to do this kind of thing as quickly as possible. The units are now waiting for an answer. This is by no means a perfect job but it is the best job we were able to do in the time available. We have hinted at these things in Part II, and we have been told these will be followed up and developed.

Mr. MATHESON: If you do not do a good deal more than hint at them in Part II you are not going to have this force available in the next year or two, are you?

Mr. SUTTIE: I cannot answer that question.

Mr. MATHESON: We have shifted out of the E.M.O. role, to some extent, and tried to give the militia a more realistic traditional military role. Are you also bearing in mind the responsibilities that are going to be imposed largely on the militia rather than the regular forces as we approach our 100th anniversary?

Mr. SUTTIE: No.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): To follow along that line of questioning, it might be fair to say that such an idea was not suggested in the terms of reference.

Mr. SUTTIE: It was not suggested. We were not asked to provide this information.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You were not asked to consider this idea, even though it may be a good one?

Mr. SUTTIE: Obviously, it has a great deal of merit, there is no question about that.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Brigadier Suttie, I am interested in your first recommendation in respect of which you seem to place a great deal of emphasis. I refer to your statement in connection with public relations, that the present system should be abandoned because it is too costly and

ineffective. Can you estimate the difference in the cost between the system you suggest, central public relations, and the system now in existence?

Mr. SUTTIE: I do not have those figures at the end of my tongue.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Could you give me one of those famous ball park figures?

Mr. SUTTIE: As you are aware, under the present system there is a P.R.O. attached to each unit responsible for local public relations. The effectiveness of this has been fairly spotty, and in large areas such as Toronto, Montreal and other large cities, it has been almost non-existent because there is not much interest in this type of news. We felt that a positive program would form a much better approach.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You are not prepared to give an estimate of the savings involved?

Mr. SUTTIE: No.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I am wondering whether the emphasis you place on this recommendation stems from negative publicity, rumors, and ideas which are fairly widely held, perhaps not in the best informed circles, that the militia is a fine club to join with the advantage that one does not have to pay to be a member but, in reverse, is paid, and that the greatest benefit of membership is social?

Mr. SUTTIE: That is quite so. The image of the militia to the public at large is not a particularly good one. Most people read headlines; they do not read the detail.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Most of us here are politicians, and we know this.

Mr. SUTTIE: The kind of publicity that gets into the paper is not too helpful. The only time a picture appears is of some ball or something of this sort. It is unfortunate. I think the kind of publicity that is needed is on the really good job that has been done, on the whole, by many units.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): It would seem to me that it is not only publicity that is required but also an actual good job by the units involved.

You mentioned a few minutes ago, I think in answer to a question by Mr. Laniel, that the units were aproximately 50 per cent effective at the present time. This means that some units are less than 50 per cent effective. Correct me if I am wrong.

Mr. SUTTIE: That is right. Any average has a high and a low.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In other words, some of this image may be deserved.

Mr. SUTTIE: Yes, and yet on the other hand you find units—

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I must say first of all that the one or two units of which I have had any experience have, to my observation, a very high degre of effectiveness and operate very well in the area I come from. This image, however, does exist and I realize there must be other units that are not 50 per cent operative. Will you continue with your answer?

Mr. SUTTIE: Se Part II.

Mr. WINCH: We are not allowed to see Part II.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Have you finished your answer?

The CHAIRMAN: The Brigadier answers that if you were to look in Part II you would find your answer.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I must say that many of the questions in which I was interested were answered when you were being questioned by Mr. Laniel.

You mentioned that the cheapest dollar that was spent on defence was on the militia.

Mr. SUTTIE: In effect, yes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In spite of the low effectiveness?

Mr. SUTTIE: Yes, it is still the cheapest.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I am wondering if you could tell me from your observations across the country—and you have interviewed many militia units—what is the percentage of the effective strength of each unit between officers, N.C.O.'s and men. In other words, what is the relation of chiefs to Indians?

Mr. SUTTIE: In general, officer strength is fairly well up to establishment and the N.C.O. strength is high in comparison with that of the O.R.'s. To be more specific, in a metropolitan area, under one roof, a unit had a strength of, say, 200; that was pretty high. That is the total. The establishment at the present time is 600 plus. There is absolutely no hope of any militia unit ever reaching present established strength. You will find other units where there are sub-units in two or three locations where the total numbers might exceed 300, or even more.

Mr. MATHESON: May I ask a supplementary question on that? If the officers and N.C.O.'s in that unit are really passing courses and qualifying themselves, is that a very dangerous situation?

Mr. SUTTIE: It is not a bad thing at all. In any circumstances in the militia I would think there should be a weighting of officers and N.C.O.'s, but they must have sufficient other ranks or men to get the training they need in leadership and this type of thing.

Mr. ASSELIN: (*Notre-Dame-de-Grâce*): This was the point I wanted to come to in relation to the effective strength. The officer and N.C.O. strength is maybe 80 per cent or maybe 90 per cent effective strength?

Mr. SUTTIE: Yes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): When we say 50 per cent effective strength, what we should say is that other ranks may be, say, 33 per cent—200 out of 600—and the effective strength of officers and N.C.O.'s is up to scratch?

Mr. SUTTIE: It is considerably higher—80 per cent.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Do you feel the balance here is right?

Mr. SUTTIE: Mind you, the task is somewhat different. It is a lot easier to find 40 people than to find 340.

Mr. MACINNIS: But your reference to percentage—the 50 per cent—does take in O.R.'s?

Mr. SUTTIE: Yes.

The CHAIRMAN: Perhaps I could ask a clarifying question. This ratio is not pertinent across the country? It would vary?

Mr. SUTTIE: Oh, yes, it would vary very much.

Mr. SMITH: If we are talking about effective strength it seems to me that of those who would be physically fit for mobilization, among the other ranks you might get a higher percentage available to go forward and available to go out.

Mr. SUTTIE: Fifty per cent was given for availability for service rather than strength.

Mr. SMITH: Other ranks might be more available than officers?

Mr. SUTTIE: Yes.

Mr. Asselin (*Notre-Dame-de-Grâce*): I was coming to that point. Your effective strength has to do not only with the people you have on strength but also with their parading? I wonder if you noticed in your investigations whether the officers and N.C.O.'s paraded more effectively than the other ranks. In other words, is there a real job now to be done for the other ranks in having people trained and ready to replace the others, and is this not one of the underlying problems that has to be solved before the militia will become something other than what many of the public believe is a private officers' club?

Mr. Suttie: Yes, I would think on the straight number basis, without going into detail with regard to what they do when they get there, there are more officers and N.C.O.'s who parade regularly than there are men.

Mr. Asselin (*Notre-Dame-de-Grâce*): I have attended one or two parades which would have looked to be more realistic if the roles had been reversed. I might add those were not in the Montreal metropolitan area.

From your investigations, Brigadier Suttie, could you tell me now whether the recommandations you are making will effectively meet this problem and how they will meet it? Which ones will meet this?

Mr. Suttie: The recommendations we have made we believe, perhaps in combination, will achieve the objectives of having a vigorous and revitalized militia. I think probably the most important thing—

Mr. Asselin (*Notre-Dame-de-Grâce*): How would you attract more other ranks, for instance? Is this in the public relations role?

Mr. Suttie: I think that is a very important role. There have been occasions in certain areas when a militia man has been almost ashamed to appear on public transport vehicles in uniform because of the remarks made by other people on the bus, and this sort of thing.

Mr. Asselin (*Notre-Dame-de-Grâce*): Do you think handling publicity centrally will cure this problem? It has been my observation in some areas that the makeup of the commanding officer and the makeup of the officer corps has a lot to do with this, and that is local. In other words, if they are very active in the recruiting sphere and offer certain inducements they are quite effective; and, as you point out, in some units they have a much higher strength of other ranks than in other areas and other units. I would hope, in other words, that this recommendation would not be one that would remove all initiative in connection with public relations from the individual units.

Mr. Suttie: No. What is really needed is a positive plan of public relations, and this would have to be worked out at unit level. I think instead of having someone paid as a P.R.O. on unit strength, someone in the unit should be detailed to look after public relations through the P.R.O. who is located in the area. Certainly one cannot get it down to the bottom through a central location, but a plan could be developed which we feel would be more effective than the present shotgun approach.

Mr. MacInnis: How far do your recommendations go with regard to the centralized P.R.O.? Does this require one P.R.O. in each military command, or more than one?

Mr. Suttie: In each command and area there are P.R.O. elements and they should remain there. I think they are better qualified, or should be, to get things in the paper that should get in. For example, a unit goes to summer camp, and a few names of people who do well and qualify has significance to the individual and to the unit.

The CHAIRMAN: Gentlemen, it is just about 1 o'clock and I still have Messrs. Winch and Fane who would like to put questions, as well as Mr. Lambert. Also, Mr. Smith indicated earlier that he wanted to ask further questions.

Would your committee be agreeable to meeting after Orders of the Day for a short period of time in order to clear this up?

Mr. WINCH: The Public Accounts Committee is meeting at 3.30 this afternoon, Mr. Chairman.

The CHAIRMAN: Then, is it impossible? If that is the case, then I am afraid we have exhausted our time, unless the committee wishes to carry on for a few minutes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): How many members on this committee are also sitting on the public accounts committee? I am prepared to come, Mr. Chairman, and I assume that Mr. Lambert would be here.

Mr. LAMBERT: He is tied up with the house.

The CHAIRMAN: Is the committee agreeable to staying a few minutes longer now to see if we can clear up the business at hand?

Some hon. MEMBERS: Agreed.

Mr. WINCH: With the exception of one question, Mr. Chairman, all the questions I had in mind have either been put or commented upon by the brigadier. However, there is one phase in which I am vitally interested and I would like to hear a few words from the brigadier in this respect.

I know that all members of this committee are interested in having the type of militia which will interest persons coming into it and, in my opinion, what would be more important is that once they are in the militia there should be some means of holding their interest so that they will want to stay. Very briefly, could I state that, in my opinion, in order not only to encourage those that are already in the militia but to hold those in who are there, radical changes are necessary in the training program itself. There is too much emphasis being placed on lectures and not enough on practice.

Of course, I am going back a few years now but I want to let you know just what I have in mind. I would like to ask how do you imbue interest and then hold it in the membership of the militia if—and I am speaking from experience—never in three years do they get to fire a submachine gun; if only once in three years they ever get to fire a light machine gun; if never in four years they get to fire an antitank gun; if an officer only once in two years gets to fire his side arm, after having passed all the T.O.E.T., and where an instructor in the militia, who wants to demonstrate and find out whether his men understand all the field signals, has to do this on the concrete floor of an armoury? If this is the case, just how, with that type of training, are you going to imbue and hold interest, and add to it? Members of this committee who were in Gagetown over a week ago, where the regular forces numbering between 9,000 and 10,000 are now on summer exercises, would note that they were restricted in what they were doing because of a lack of live ammunition. The same situation, it would appear to me, exists today as it did years ago, and if that is applied on a budgetary basis to the reserves, then I would think perhaps they are in the same situation as I found myself in in the four years I was in the militia. I think perhaps the brigadier understands the point I am driving at. Brigadier, did you make any study during the course of your commission work in respect of training procedures and needs for changes or do you have any comment to make on what I think is a most serious aspect of maintaining the interest and activity in our militia? Perhaps this does not come within your personal responsibilities but are we not being perhaps a little bit

false in our approach in not supplying what may be the required amount in order that this training becomes an effective, pleasurable and agreeable thing?

Mr. SUTTIE: I highly agree with what you say. Certainly, in order to hold the interest of the militia men there must be opportunities to use their weapons; there must be opportunities to move on to a more sophisticated type of equipment, antitank, and so on, in respect of the infantry; they must go regularly to camp, and at camp they must fire their weapons. This is particularly necessary and important to armoured corps and the artillery, and this ammunition must be made available for these purposes.

Mr. WINCH: Is that part of your study?

Mr. SUTTIE: Yes.

Mr. WINCH: And you made recommendations?

Mr. SUTTIE: I think it is implicit in the fact that we have not referred to savings as such. We have made reference to reduction in costs and I would hope that the money made available from these sources to a large extent would be spent on these necessary things.

Mr. WINCH: Would you not agree that there should be more field exercices and less lecturing?

Mr. SUTTIE: Yes.

The CHAIRMAN: Would you proceed, Mr. Fane.

Mr. FANE: Mr. Chairman, I would like to say at the present time that in the 28 years experience I had as an officer in the Canadian militia I at no time had to face the troubles Mr. Winch has mentioned. I perhaps was in 10 or 15 units during that time and none of these units were faced with the difficulties that Mr. Winch has expressed. We got very good service. Maybe we were blessed with commanding officers that were more efficient than some or we were working in a district that was better looked after. I am speaking of N.D. 13 and western command.

Mr. WINCH: That is very peculiar; I was in western command, too.

Mr. FANE: Well, I just wanted to put that on the record.

Now, speaking in respect of the recommendations of which the first concerns public relations, you suggested that the public relations of the militia should be placed in the hands of a national agency. Do you really believe that that will be worth the snap of your fingers in getting more people to join the militia and making it more effective?

Mr. SUTTIE: Well, we feel that a national agency skilled in these things can more effectively design a program that will stimulate interest than the present situation does.

Mr. FANE: Well, although I would question that, you have put in your report and you are the people who were paid to make that report. However, in the past I have found that the efficiency of any unit, the number of enlistments, and so on, have a direct bearing on the efficiency, public relations and the commanding officer, so naturally if he was efficient he picked efficient officers to work for him. In my opinion, that is better public relations than anything else that could ever be done.

Mr. SUTTIE: I would agree.

Mr. FANE: You would agree with that?

Mr. SUTTIE: I would agree with that.

Mr. FANE: Very good. In respect of the authority of the commanding officer, I agree with you that commanding officers of local detachments or detached detachments should be given more authority on how the armouries

are apportioned and what is done with them. As you say, the present system is very bad and this needs to be rectified.

Then, in respect of training programs and weekend training, equipment, and so on, naturally the militia hardly can expect to have the very latest equipment all the time. But, I am sure, as you suggest, that training with any kind of comparable equipment, even if it is a little outmoded at the moment, is good training. I would agree with that.

Now with regard to regular army support, naturally the militia must have the support of the regular army units that are available there. That has been very noticeable in the past.

I next come to uniforms. I would like to commend you for suggesting that the reserve army be equipped with uniforms the same as the active army.

I am not asking very many questions, Mr. Chairman. I am making observations as a one time detached unit commander. It makes me wonder sometimes whether having your commission composed almost entirely of brigadiers was perhaps the best set-up you could get, Brigadier Suttie. I would not ask you to remark on that but that is my observation.

I agree with what you say about attestation. This should not be for two years, it should be a continuing set-up.

With respect to the boards of inquiry, I agree with what you have to say there also, that on the certificate of the commanding officer minor losses and damages would be written off.

Accounting, has always been a great difficulty with the detached units, and I presume with undetached ones also.

I have already spoken on the armouries.

On the whole I must say that I consider your report quite good with the exceptions that I have mentioned. I would take more exception to your recommendation about public relations than to any other part of it.

You cannot expect physical fitness in a unit that parades once or twice a week to be comparable with the physical fitness in an active army.

Thank you, Mr. Chairman, I have now made my report.

Mr. LAMBERT: My question reverts back to the rate of turnover. There are only two questions I have in this regard. First of all, among the younger soldiers who participate rather actively in the militia, what did you find to be the incidence of turnover of enlistments in the regular forces? You get young soldiers getting the taste of military life and then going on to the army. Is there an appreciable amount of this?

Mr. SUTTIE: There is quite a significant amount of this, and it is particularly true in the east, in the maritime provinces. In a lot of the local units you see men going on to join the army. This is all to the good.

Mr. LAMBERT: My second question is: How much carry on in the militia do you find from people who have graduated or been commissioned through the C.O.T.C. and people who have gone through the R.O.T.P. who have fulfilled their commitment in the active service and then gone on into civilian life? Do you feel that generally, across Canada, we are succeeding in providing in our civilian army a corps of men who have been well trained?

Mr. SUTTIE: The intake from C.O.T.C. is very disappointing. These young men really are quite well trained in their two summers in the corps camp, but they do not join the militia in the numbers they should. Again, in our second report you will find a reference to this. I think one of the reasons is there is no undertaking; there is no obligation. In the absence of any undertaking it is perfectly in order for him to do nothing about it; but if before he received the training it was understood that he would make an honest effort to join a unit when he completed his training, and was established in his locality, I am satisfied quite a lot more would do so.

Mr. LAMBERT: How about the chap who has gone through R.O.T.C. and has had three or four years or more as a regular? When he severs his connection with the regular force, does he then go into the militia?

Mr. SUTTIE: Not in any appreciable numbers. I think when they have finished their tour of duty it satisfies them.

Mr. LAMBERT: They have had it.

Mr. SUTTIE: Pretty well.

The CHAIRMAN: Mr. Laniel has one more question.

Mr. LANIEL: I am surprised about the fact that your commission did not make any stronger recommendation concerning training aids. Your recommendation only says:

> That the pursuit of an imaginative program for the development of training aids be fully supported by the department.

Considering the fact that in industry these days quite a bit of emphasis is being given to audio visual training, I am surprised, in view of the lack of equipment, that you did not make any stronger recommendation.

Mr. SUTTIE: We are suggesting this should be pursued, because this is a matter which should have considerable study. I am sure there is a field there which could provide substitute equipment at a cheaper cost which would stimulate the interest of the young militia man. For example, in Edmonton we saw a subcalibre type of mortar which was operated by compressed air. They could lay out a target area and go completely through the drill outside the armouries, of firing a mortar. The cost of this device was only $500. In Winnipeg we saw an indoor range where the entire cost was only $600. This provides training for infantry, artillery and armour. This is the type of thing which can be developed to an extent which would hold the interest of a young fellow much more than marching up and down the armoury floor.

Mr. LANIEL: I am interested in this because in an anti-aircraft unit I was in, one of our men who is a specialist in electronics made a set-up in our drill hall for anti-aircraft training. This was quite realistic and was worth while, but we had to pay it out of the officers' mess funds.

The CHAIRMAN: I think that completes our questioning.

Before we adjourn, on behalf of the committee, I would like to thank Brigadier Suttie for coming here and submitting to two and a half hours of bombardment by the committee.

We stand adjourned until Monday morning at 8.15 when we proceed to Halifax.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

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SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

MONDAY, JULY 27, 1964 to THURSDAY, JULY 30, 1964
(Visit to Canadian Maritime Command, Atlantic, and to SACLANT Headquarters, Norfolk, Virginia)

THURSDAY, AUGUST 13, 1964

RESERVE FORCES

WITNESSES:

Commodore R. I. Hendy, RCNR; and Group Captain J. W. P. Draper, R.C.A.F. Auxiliary.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21253—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, July 27, 1964.
(20)

The Special Committee on Defence assembled in front of the Parliament Buildings at 8:30 a.m. under the leadership of the Chairman, Mr. David G. Hahn.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple and Winch—20.

In attendance: Honourable Lucien Cardin, Associate Minister of National Defence; Brigadier H. E. Doucet, Executive Assistant to the Minister.

Accompanying Officers: Captain H. A. Porter and Lieutenant J. C. Bonneau.

The Committee proceeded by Military Bus and Aircraft to the Halifax area. The group was welcomed in Halifax by Rear Admiral J. V. Brock and Air Commodore F. S. Carpenter, Maritime Commander and Deputy Maritime Commander, respectively.

Following luncheon the Committee viewed a static display of RCN and RCAF anti-submarine warfare aircraft and equipment as well as a flying display to demonstrate torpedo drops, weaponry and helicopter sonar.

The Committee then toured HMC DOCKYARD, the shops and facilities, and was briefed by Commodore E. N. Clarke, Commodore Superintendent Atlantic Coast.

HMCS STADACONA was next visited to observe the operations of the 'Fleet School', to see a demonstration of the 'Operations Trainer', and the Committee was briefed by Commodore R. L. Hennessy, Commodore Personnel Atlantic, and Lt. Cdr. W. T. Marchant.

The group toured HMS ALCIDE, an "A" class submarine, and HMCS BONAVENTURE, an ASW aircraft carrier, where it was welcomed by Lt. Col. S. S. R. Conway, and Captain R. W. Timbrell, respectively, the Captains of these ships.

Following an informal reception on board HMCS BONAVENTURE, the visiting party was divided into small groups; these groups were billeted in various ships as guests of the respective Commanding Officers.

TUESDAY, July 28, 1964.
(21)

The Special Committee on Defence assembled on board HMCS ASSINIBOINE at 9:00 a.m. under the chairmanship of Mr. David G. Hahn.

Members present: (Same as on Monday, July 27, 1964).

In attendance: (Same as on July 27, 1964).

21253—1½

The Committee was briefed by Cdr. W. S. Blandy, Captain G. C. Edwards and Lt. Cdr. S. H. Rowell, as well as Lt. Cdr. D. H. Tate, respecting Anti-Submarine Warfare and the co-ordination of destroyers and helicopters. A demonstration of destroyer-helicopter operations and variable depth sonar was also provided.

HMCS PROVIDER, the new supply ship, was inspected; there the Committee was briefed by Captain T. C. Pullen, the ship's commanding officer.

In the afternoon the group visited Maritime Headquarters where it was briefed on the contributions to Maritime activities of RCAF Maritime Air Command and the functions of the Maritime Commander's operations room. Here, information was supplied by: Rear Admiral J. V. Brock, Air Commodore F. S. Carpenter, Squadron Leader Robert McNair, Mr. W. B. Bailey, Mr. R. Dexter, Lt. Cdr. H. J. Bird and Lt. Cdr. W. A. Byatt.

Later the Committee visited the Joint Maritime Warfare School for briefings on RCN Atlantic Command and The Canadian Maritime Commander Atlantic and the Canadian Atlantic Sub Area of NATO. Relevant information was supplied by: Lt. Cdr. R. F. Strouts, Commodore J. C. Pratt and Cdr. C. G. Pratt.

Following an informal dinner in the wardroom HMCS STADACONA the group returned to the host ships for overnight accommodation.

WEDNESDAY, July 29, 1964.
(22)

The Special Committee on Defence boarded three Argos Aircraft at HMCS SHEARWATER at 8:00 a.m. under the chairmanship of Mr. David G. Hahn.

Members present: (Same as on Monday, July 27, 1964).

In attendance: (Same as on July 27, 1964).

On board the aircraft, the Committee Members proceeded to Bermuda. During the flight Committee members observed the demonstration of the operation of the equipment on board the aircraft and the procedures followed in anti-submarine detection.

Arriving in Bermuda the Committee was divided into three groups and members were assigned to three ships of the Fifth Canadian Escort Squadron, which is under the command of Captain D. L. Macknight.

The ships concerned and their Commanding Officers were:
HMCS KOOTENAY—Commander D. H. P. Ryan
HMCS COLUMBIA—Commander A. E. Fox
HMCS RESTIGOUCHE—Commander B. C. Thillaye

Proceeding to sea, Committee members had an opportunity to observe tactical exercises, both anti-aircraft and anti-submarine. During the course of these exercises an RCAF Neptune Aircraft, an RCN Tracker Aircraft and HM Submarine *Auriga* took part.

Late in the day the Committee returned to overnight accommodation in Bermuda.

THURSDAY, July 30, 1964.
(23)

The Special Committee on Defence assembled at 7:30 a.m. under the chairmanship of Mr. David G. Hahn.

Members present: (Same as on Monday, July 27, 1964).

In attendance: (Same as on July 27, 1964).

The Committee proceeded by Military Aircraft to Norfolk, Virginia, where they were met by Vice-Admiral R. D. Hogle, Chief of Staff, SACLANT Headquarters. At SACLANT Headquarters the Committee was briefed by Admiral H. P. Smith, U.S. Navy, Supreme Allied Commander Atlantic, and Vice-Admiral Charles E. Weakley, U.S. Navy, Commander Anti-Submarine Warfare Force Atlantic, assisted by Cdr. J. B. Carling, Major J. D. Dillon, Cdr. S. Bruland, Cdr. J. J. Doak and Cdr. J. L. Davis.

These Officers outlined the work and responsibility of SACLANT, with particular emphasis on anti-submarine warfare. They were questioned on related matters.

Following luncheon at SACLANT Headquarters, the Committee proceeded to the Navy Yard for an inspection of USS RANDOLPH (Carrier—ASW).

On board the *Randolph*, the Committee was welcomed by the Commanding Officer, Captain R. J. Davis.

Following a further question period at which Vice-Admiral Weakley answered questions, the Committee travelled by Military Bus and Aircraft to Ottawa, where the Members disbanded at approximately 7:00 p.m.

THURSDAY, August 13, 1964
(24)

The Special Committee on Defence met at 11.05 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Groos, Hahn, Harkness, Lambert, Lessard (*Lac-Saint-Jean*), MacLean, MacRae, Matheson, McNulty, Pilon, Smith, Temple (17).

In attendance: Commodore R. I. Hendy, RCNR (Retired); Captain L. B. McIlhagga, RCNR (Retired); and Group Captain J. W. P. Draper, RCAF (Aux.).

A document entitled *Canadian Obligations to the United Nations and International Operations* was tabled by the Chairman and identified as *Exhibit No. 9*.

On motion of Mr. Asselin (*Notre-Dame-de-Grâce*), seconded by Mr. MacRae,

Resolved,—That the Informative Papers on Defence Matters, prepared in conformity with the Order of the Special Committee on Defence, dated December 18, 1963, be assembled in booklet form; and that 1200 copies in English and 500 copies in French of the said booklet, be printed.

The Chairman presented the Eighth Report of the Steering Subcommittee as follows:

The Subcommittee agreed to recommend:

1. That on Tuesday, August 11, 1964, the Hendy and Draper Reports, respecting the RCN and RCAF Reserves respectively, be distributed to Members of the Defence Committee.

2. That on Thursday, August 13, 1964, the Defence Committee consider these Reports with Messrs. Hendy and Draper in attendance.

3. That reasonable living and travelling expenses as well as a per diem allowance be paid in connection with the appearance before this Committee of Messrs. Hendy and Draper.

4. That on Tuesday, August 18, 1964, the Committee continue its consideration of "Reserve Forces" with the Associate Minister of National Defence in attendance.

On motion of Mr. MacRae, seconded by Mr. Lambert,

Resolved,—That the Eighth Report of the Steering Subcommittee, presented this day, be now concurred in.

Agreed,—That the Committee proceed with its consideration of the Hendy and Draper Reports, with approximately one hour being allotted for the consideration of each Report during this meeting; but if the consideration of the Reports is not then completed, the Committee will meet again this afternoon.

The Committee continued its consideration of "Reserve Forces".

Group Captain Draper made a brief opening statement and was questioned on the Report respecting the *Royal Canadian Air Force Auxiliary.*

Commodore Hendy was introduced; he in turn introduced Captain McIlhagga and then made a short statement. The witness was questioned on the *Role and Organization of the Royal Canadian Naval Reserve.*

At 12.50 p.m. the Committee adjourned until this afternoon when the "Orders of the Day" have been reached in the House.

AFTERNOON SITTING
(25)

The Special Committee on Defence resumed at 3.30 p.m., the Chairman, Mr. D. G. Hahn, presiding.

Members present: Asselin (*Notre-Dame-de-Grâce*), Béchard, Deachman, Fane, Hahn, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), MacLean, Matheson, McMillan, McNulty, Temple (13).

In attendance: (Same as at morning sitting).

The Committee resumed consideration of the *Hendy* and *Draper* Reports concerning respectively the *Royal Canadian Navy Reserve* and the *Royal Canadian Air Force Auxiliary.* Messrs. Hendy and Draper answered questions on matters raised in these reports and on related subjects.

The Chairman thanked the witnesses for their assistance and they were permitted to retire.

At 4.25 p.m. the Committee adjourned until 11.00 a.m., August 18, 1964.

E. W. INNES,
Clerk of the Committee.

EVIDENCE

THURSDAY, August 13, 1964.
11.00 a.m.

The CHAIRMAN: We now have our quorum. May we come to order, please? Before we start with today's business there are a few items of a procedural nature that I would like to dispose of. We have now received a paper from the Department of External Affairs entitled "Canada's Obligations to the United Nations and International Operations", which I shall table and identify as *Exhibit IX*.

Exhibit No. IX: Paper entitled "Canada's Obligations to United Nations and international operations".

This is one of the papers that was called for last session. In connection with these papers—we have now received nine of the eleven papers that we shall receive—leaving two papers which are due to be received shortly. They are coming from two of the Departments of Government, not from outsiders.

There have been many requests for these papers so I think it is a good idea that they should be printed in booklet form. I would like therefore to have a motion from the committee, calling for the printing of these papers. This means that when these two remaining papers are received, the Clerk of the Committee can, on the strength of this motion, arrange to have them printed.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I so move.

The CHAIRMAN: The motion reads:

> That the informative papers on defence matters, prepared in conformity with the order of the special committee on defence, dated December 18, 1963, be assembled in booklet form; and that 1200 copies in English and 500 copies in French, of the said booklet, be printed.

Mr. DEACHMAN: On that point, has it been discussed whether or not they would be prepared as separate booklets for each paper, or will the booklet be a compendium of all eleven papers?

The CHAIRMAN: The booklet would be a compendium; that is, they would all be printed together.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): What does "compendium" mean?

The CHAIRMAN: I assume it means a mix.

Mr. MACRAE: I second the motion.

The CHAIRMAN: Are we all in agreement?

Motion agreed to.

We now have a report of the Steering Subcommittee dealing with Agenda. Before I read the Subcommittee's report let me say that we are meeting today to discuss the Hendy and Draper Reports dealing with the Naval and Air Force reserves. We shall have the Associate Minister following. It was the thought of your steering subcommittee that we should prepare an Interim Report and hold an In Camera meeting in order to complete that report, discuss it, and then submit it to the House, and that this should probably pretty well wind up our business for this part of the session.

The steering subcommittee report reads as follows:

The subcommittee agreed to recommend:

1. That on Tuesday, August 11, 1964, the Hendy and Draper Reports, respecting the R.C.N. and R.C.A.F. reserves respectively, be distributed to members of the defence committee.

2. That on Thursday, August 13, 1964, the defence committee consider these reports with Messrs. Hendy and Draper in attendance.

3. That reasonable living and travelling expenses as well as a per diem allowance be paid in connection with the appearance before this committee of Messrs. Hendy and Draper.

4. That on Tuesday, August 18, 1964, the committee continue its consideration of "reserve forces" with the Associate Minister of National Defence in attendance.

May I have a motion for the acceptance of the report?

Mr. MacRae: I so move.

Mr. Lambert: I second the motion.

Motion agreed to.

The Chairman: To deal with the Hendy and Draper Reports, we have with us this morning Group Captain Draper and Commodore Hendy, who are the Chairmen of the two committees whose reports we have before us. Because of the nature of the material and the amount of time it may take to deal with it, I think it would be advisable to proceed by dividing the time that we have this morning into two portions, half of the time to be allocated to the Draper report and the other half to the Hendy report. Then, with the agreement of the committee, if there are any outstanding questions unanswered we will meet this afternoon and attempt to clean up the questions completely. Is that agreeable to the committee?

Agreed.

On that basis, then, we can start with the Report on the Royal Canadian Air Force Auxiliary. It is now approximately a quarter past eleven, so we will deal with the air force report for approximately an hour and we will then switch to the report dealing with the Royal Canadian Navy Reserve.

Our witness is Group Captain Draper, who has a brief introductory statement to make, after which we will proceed with the questioning.

Mr. J. W. Draper (*Group Captain, Royal Canadian Air Force*): Mr. Chairman, gentlemen, I have a few brief comments to make on the preparation of this report.

Each of the twelve medical units, the eight technical training units and the eleven flying squadrons were invited to submit their unit thoughts to their respective wing commanding officers. The commanding officers then consolidated these unit reports into eight different wing submissions, which were received at meetings by the committee. These were further condensed into the nine pages which are before you. As such, the report represents the sincere beliefs of the whole of the auxiliary air force as it was constituted on December 5, 1963.

The committee was formed on January 18, 1964. Four weeks later, on February 15, the final product was presented to the Associate Minister of National Defence. Time and distance precluded our presenting a fully documented, statistically reinforced study. We were aware of the announcement of the Minister of National Defence of December 5 concerning reserve cutbacks. At the conference of the defence association meeting in January we heard the Chief of General Staff suggest that the militia would consist of

approximately 30,000 men and that their main efforts would be shortly directed to corps training as opposed to national survival. The white paper on defence had not been published.

I mention these facts so you can realize the timing of the events when we were writing this report.

Our self-assigned ground rules were relatively simple. They were: (1) To determine whether or not the R.C.A.F. auxiliary could make a significant contribution to the defence forces of this country; if not, recommend its disbandment; if so, find the best use for this arm of the service. (2) To operate within the reduced budget of about $3 million to give the Department of National Defence and the Dominion of Canada the highest possible value for its defence dollar.

I will be glad to answer any questions to the limit of my knowledge and as frankly as I am able.

Mr. TEMPLE: I would like to deal first, Mr. Chairman, if I may, with page six of the report which concerns tactics. Paragraph (a) says:

> Close support with an air to ground attack capability utilizing training type aircraft for the most effective ordnance delivery.

Do you mean only for training, or do you mean both for training and the actual military function?

Mr. DRAPER: This technical capability was included as something we wanted to look into in the future based on the aircraft that would be available to us. The type of aircraft we had envisaged would be Harvard or T-33 aircraft, and certainly it would be in a training role.

However, I think it must be appreciated that this is only one facet of our primary role. Under the heading of equipment, you will note we have stated that the equipment we have currently can be used in our primary and secondary roles, and that long range planning should be undertaken with a view to supplying more suitable aircraft as the role develops and as the real needs become more apparent. We felt this was a role we could undertake, but we did not know. We wanted to look into it to make sure. We thought this would develop and we could then make a determination.

It is realized that our role—be it called primary or secondary—is really that of medium light lift with reconnaissance and communications capability. That is basically our role. It is not the primary role; but a military or, if you prefer it, a wartime title for the same function as that expressed in the peacetime term, our secondary role. It is really a wartime way of saying that light transport is to carry these people about in a military function, but in peacetime you do not call it that.

Mr. TEMPLE: You agree that the present technical training type aircraft would not be really effectively used in wartime for tactical support?

Mr. DRAPER: Certainly not the Harvard aircraft, sir, and, in view of recent proof in Asia, the T-33 is doubtful. We certainly need something more sophisticated than a T-33.

Mr. TEMPLE: You say there were eleven squadrons to begin with?

Mr. DRAPER: Yes.

Mr. TEMPLE: Those have been chopped down to what number?

Mr. DRAPER: Six.

Mr. TEMPLE: The budget upon which you are operating now is approximately $3 million?

Mr. DRAPER: Yes.

Mr. TEMPLE: What was the budget before?

Mr. DRAPER: The budget was approximately $9 million. The figures are actually in evidence. The Associate Minister of Defence introduced this on July 31 at page 409. In the year 1963-64—that is, the fiscal year which in effect would be the year before the cut actually took place—a total of $10,700,000 was expended; it is now $3 million.

Mr. TEMPLE: Where are the majority of the savings effected? I am speaking of the difference between $10 million and $3 million, the $7 million saving.

Mr. DRAPER: This would come into the field of costs again. There was a little over $3 million attached to the reserve and the civilian pay and allowances. That is the amount paid to the members of the reserve. This has been cut by more than half while our squadrons have not quite been reduced by half. We have lost our medical units and our technical training units, so there has been a very significant strength reduction. As a consequence, our regular force has been equally reduced. Our aircraft operating costs have been cut in half because we are operating only half as many. Our station costs have been cut by almost half because of the stations which have been disbanded.

Mr. TEMPLE: Have you any figures to show what it would cost to have the other five squadrons that have been disbanded re-activated in accordance with these recommendations?

Mr. DRAPER: You can take the existing $3 million and divide it by six and say it is approximately $500,000 per squadron, but in fact it is not that amount. We had hoped, by dividing the services of some of the squadrons and combining maintenance, that we could do it on a considerably more economical basis; and it was our belief that we should be able to maintain the eleven squadrons, or perhaps ten of them, for another $1 million, or perhaps even less. Again, sir, you must appreciate that time prevented us from going into a definitive study on cost accounting, and these are the best and most accurate estimates that we could make.

Mr. TEMPLE: I have some other questions, but I am sure many other members wish to ask questions, and therefore I will pass.

Mr. GROOS: Mr. Chairman, I notice the ministerial committee's report says that they think the primary role which would be most effective for the R.C.A.F. auxiliary is that of army air support, and I can believe this. This seems to me to be a very useful role for an auxiliary, but in deciding what this role would be it seems to me that it is necessary for any one of the reserves or the auxiliaries to know exactly what the service to which it is an auxiliary is going to be called upon to perform. Now, in deciding the merits of these reports my difficulty is in ascertaining exactly what form the services are going to take at this point or exactly what role we now call the individual services are going to be called upon to perform within this new joint concept of the armed services. And, I am sure this is a difficulty which you also faced.

Again, if I may repeat, I find it very difficult to decide on the merits of these reports what roles these services are going to be called upon to perform without knowing what the services, to which they are now auxiliaries, are going to be called upon to do or exactly what form they are going to be in when they are called upon to do it.

I myself would be somewhat reluctant to make any changes beyond those already made in either the size of the auxiliaries or in the direction in which they are told to go until this primary problem has been resolved.

I would like the chairman's comments in this respect.

Mr. DRAPER: Well, sir, you will appreciate that this report was written before the white paper came out, which announced integration was taking place or going to take place. We had no way of knowing this was going to happen. However, in view of the fact that the Canadian armed forces in the last few years have really been engaged in peace keeping operations throughout the

world, and as the militia again was going to start being soldiers in the sense of corps training as opposed to survival training, we assumed it might be that the government would be looking to a continuation of that role of peace keeping type of action and that that would be where we best would fit in. And, as we had the previous summer worked with the army at camp Gagetown and planned to do so again in the summer of 1964, we felt that was the role we should be doing. That is a role which transport command, of which we are a part, is doing now. The equipment we have lends itself to that without any additional expense or cost to the crown. It must be remembered we already had been cut in numbers and, faced with this virtual *fait accompli,* we have to operate within this budget. So, in respect of these things we had to make an assumption. We assume that you have read in our report where we suggested we should operate the R.C.A.F. auxiliary as part of a tactical air group, providing the services required by a closely integrated defence establishment. As I said, this came out before the white paper and, in effect, what we have been doing at Camp Gagetown is setting up a separate unit, and we have acted in that capacity during the summer.

Mr. GROOS: In the light of the information subsequently revealed in the form of the white paper, discussions held in this committee and articles published in the press, do you regard your conclusions and recommendations here to be still valid?

Mr. DRAPER: Yes, I think now in view of the minister's announcement that perhaps we would put more emphasis on mobility and logistics and less on the tactical side, because this is the way it has swung, and this is what we have been doing, which involves photo reconnaissance, which is a form of tactics; however, yes, the report would be virtually the same today with slightly more emphasis on that side of the role.

Mr. GROOS: On mobility and logistics?

Mr. DRAPER: Yes.

Mr. GROOS: Those are all the questions I have at the moment.

The CHAIRMAN: Would you proceed, Mr. Lambert.

Mr. LAMBERT: I wonder if Group Captain Draper could give us what his committee assessed to be the role of the air force auxiliary as it existed on December 5 and how in their estimation it failed to meet what they conceived to be the purpose of an air force auxiliary? As you know, there have been some rather drastic changes made. True enough, this is an interim report which has been considerably modified by the philosophy of the white paper. However, I would like to know why, outside of the mere budgetary considerations, these changes were suggested.

Mr. DRAPER: Well, sir, prior to the Conference of Defence Associations meeting, when the minister asked the Chief of the General Staff to give some thoughts on the militia and what, in effect, would be the guiding lines, in the Suttie commission. The role of the militia, I believe—certainly the auxiliary air force—had been one of national survival. That was our primary role. This is a rather difficult thing to practice from the air. But, we did have a secondary role, and this role in those days was transport both in wartime and peacetime, and we had kept on with training in the transport field. So, in effect, we had been doing to a large degree what we had suggested as our new role. Really, there is no difference, if you look at our primary and secondary roles; they are virtually the same in respect of mobility, logistics and tactics. These are names used in respect of our role of transporting people about. We had done this before. We knew from the announcement of the chief of general staff that the militia was swinging from national survival to soldiering, so obviously it was no role for us to hang our hat on, if I may use that expression. It looked as though we were going into the support of the soldiering business too and

we had better get on with the job. That is why we came up with this role, sir, which was really our secondary role before. We just made it our primary role.

Mr. LAMBERT: In other words, you feel there was no longer any need for training for preparation for emergency disaster operations and that these might be combined with your essential transport role?

Mr. DRAPER: Well, that is a difficult question, sir, in that it is hard for me to determine where there is a need for survival training. We felt that our training which we had done in this regard—and we have done a considerable amount of national survival training—had been carried out to the limit of the equipment we had available and, therefore, we should get on with the next job. We are still able to do the role that we were called to do under the national survival scheme or the context of what we were supposed to be training for, so while we felt the emphasis was swinging to the military side as opposed to the survival side we felt we had better provide ourselves for that as well.

Mr. LAMBERT: Now, carrying on with this primary role, do you feel that the equipment that may be available to you is satisfactory to develop this transport role?

Mr. DRAPER: Not to develop, no, sir. We have suggested again under equipment that something should be provided in the future. But, remember, we are operating under pretty severe budgetary limitations and if we recommend an annual operating cost of $3 million and a capital expenditure of many more millions we are not going to get very far. So, we had to work with what we had. However, we do believe that not only in the reserve air force but in the total R.C.A.F. there will develop in the immediate future a definite need for a medium light lift transport.

As you know, we are retiring our aging C-119s and North Stars, which are being replaced by the more versatile and larger Hercules aircraft. These Hercules aircraft do a wonderful job on a long haul where large loads are required, but it is uneconomical to use them over short distances; you must feed into the main bases over short distances. With the departure of the C-119 and the North Star there is going to be a dearth of this type of airlift capacity within the whole of the R.C.A.F. The auxiliary, because of its locations across the country, could provide these services if they were equipped with aircraft like the Caribou, the Buffalo or Dakota, and they could provide this on a continuing basis in cases where our high lift capability was called out of the country and we had to depend on medium lift.

Mr. LAMBERT: With what degree of certainty do you feel there will be provided this medium lift capability in order to justify your strong recommendation that this now be made the most viable role for the auxiliary?

Mr. DRAPER: This actually applies to the regular force as well as to the auxiliary force. There will be a need for that equipment. However, in the meantime, we can do a job with the Otter and the Expeditor aircraft we have. Of course, we cannot do the same job, we cannot do it to the same extent that we could if we had bigger aircraft, but we can still do it. We could do it more economically and more efficiently with the larger aircraft.

Mr. LAMBERT: How can you justify this strong dependence on this role unless you have some degree of assurance, which we have not as yet seen, that this will be so, that you will have this capability with this medium lift aircraft?

Mr. DRAPER: Whether or not we get the new equipment, we are now able to do it with the existing equipment. Ultimately it is bound to have to be replaced some time in the future, but we are operating at present under the budgetary limitations which, frankly, we hope will be lifted in the future, to a degree at least.

Mr. LAMBERT: You suggest that the Expeditor, as far as I am aware from my own limited knowledge of aircraft capability, is not really a transport aircraft?

Mr. DRAPER: It is a transport aircraft for a light load. It will take relatively few people, but there are occasions when you have to lift only two or three people, and in these cases it is more efficient and more economical to use an Expeditor than to use a Hercules. This is certainly where it fills a role now in the transport field. On the other hand, the Otter will lift greater numbers of people over shorter staging differences, but eventually it will get there.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, group captain, you have made a recommendation that squadrons could operate more effectively from non-R.C.A.F. bases by leasing accommodation and purchasing depot maintenance. That appears in your fourth recommendation on page four. Could you tell me how many squadrons operate at the present time on a regular basis and how many squadrons operate on their own bases as opposed to the regular air force bases?

Mr. DRAPER: At the present time there are six auxiliary squadrons. They are all operating from existing regular air force bases that are used as regular force bases. Edmonton is a transport command station, Winnipeg is training command, Downsview is a transport command station, and St. Hubert I think was just turned over to a D.O.T. base but it is actually an air defence command headquarters. There are none presently operating on non-R.C.A.F. bases where there are not regular air force installations.

If I may go back over the suggestion, however, I did not say they could operate more effectively; I said they could operate effectively.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Presumably, the suggestion then is to save money?

Mr. DRAPER: Frankly, sir, the suggestion there was that if the air force or the Department of National Defence felt there was a need or a use for an auxiliary squadron in an area where there was not an air force station, for instance in Calgary, we felt it could be operated there by that unit operating out of rented hangar space, and, with the assistance of our naval friends operating out of the naval reserve unit in Calgary for urban headquarters, it would not be necessary to put in a regular force station. We had hoped that the heavy maintenance, that is their overhauls, could be done at the nearest reserve base, and then there would only be a requirement for front line servicing and maintenance at Calgary which could largely be handled by a reserve component.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In other words, this recommendation is primarily to permit the expansion of the flying squadrons of the auxiliary force at a lower cost in those areas where there is no regular station in operation?

Mr. DRAPER: Not exactly. The retention of those units that were disbanded. There was a unit at Calgary and we had hoped that by this means we could possibly retain it.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): And still keep within the new budgetary restrictions of your terms of reference? Have you made an estimate that would show that you could reactivate these squadrons and still remain within the budgetary requirements of your terms of reference?

Mr. DRAPER: Within the limited time and with the limited statistical figures available to us, all our studies indicated that this could be done. We did, however, recommend a further study by the regular component of the air force, in concert with the auxiliary, to investigate this to a greater depth. We felt it was possible.

Mr. Asselin (*Notre-Dame-de-Grâce*): In your opening remarks, group captain, you indicated that your recommendations were unanimous. Does this mean that the committee was unanimous, or that all the recommendations were accepted by all the eight wings which were made up of all the units that made recommendations to you?

Mr. Draper: Yes, sir, I believe I can say they were unanimous. Perhaps there were minor differences regarding what some people thought such as what units should be retained or regarding the priority of certain units, but in the main the decisions were unanimous. I think all of my associates would agree here. It was not by any means a minority report.

Mr. Asselin (*Notre-Dame-de-Grâce*): I would not like to suggest this, but it was quite a sweeping suggestion on your part.

Mr. Draper: I can think of no one at the present time who disagreed with any of the principles of this report. There may have been others which they would have like to see included.

Mr. Asselin (*Notre-Dame-de-Grâce*): So that everybody in the auxiliary force feels that army air support should be the first role of the auxiliary air force?

Mr. Draper: Army air support is a wartime connotation of it. We have been and are doing army air support to a limited degree.

Mr. Asselin (*Notre-Dame-de-Grâce*): I take it this role would require some new aircraft?

Mr. Draper: Not immediately. That was not included in our $3 million budget. We could not pare it down and still buy new airplanes.

Mr. Asselin (*Notre-Dame-de-Grâce*): Could you do the two things that you seem to suggest here, that is reactivate the deactivated squadrons and at the same time carry out this role without the new aircraft? I am wondering whether your recommendations, to put it quite frankly, are within the financial limitations that were outlined for you?

Mr. Draper: To the best of our ability to determine it, they are, sir. However, I must go back to the fact that we recommended a further study.

Mr. Asselin (*Notre-Dame-de-Grâce*): You have not provided any supporting evidence as far as savings are concerned. I realize it must have been difficult for you in the time allotted, as you have pointed out, but this might be something the committee might be interested in having. Possibly, Mr. Chairman, we might be able to obtain some of this information through the Department of National Defence.

Mr. Temple: I have a supplementary question. I thought Group Captain Draper said it would cost approximately another million dollars over and above that figure to have the 11 squadrons.

Mr. Asselin (*Notre-Dame-de-Grâce*): But presumably there are savings in other areas which you suggested which would compensate for this. I understand that you are suggesting that we should have more flying squadrons and that it would be possible under the budgetary limitations with the savings you have recommended.

Mr. Draper: We believe this could be done, sir. However, we were unable to get all of the figures that would be necessary to prove it, which is why I stated we were not able to back this report and be dead sure.

Mr. Asselin (*Notre-Dame-de-Grâce*): I find it a little skimpy as background information. I am wondering if you might explain a little further why you say you were not able to get the figures and information you required.

Mr. Draper: Yes, sir. We had four weeks, and the last week was taken up with printing and putting it down in its final form.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): It was a time limitation and not a refusal to supply?

Mr. DRAPER: By no means a refusal. There were only two weeks in which to get to the meat of it.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Under (*h*) you have suggested that the retention of the technical training units could not be justified. I wonder if you could elaborate on that.

Mr. DRAPER: There was no financial justification for their retention.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Which are the ones you suggest?

Mr. DRAPER: We lost our medical units and our technical training units. When we lost the technical training units we lost the corporate entity of the technical training units but we did have vacancies within our flying squadrons and we were able to absorb many of the people there. The function of the training is now incorporated within our wings. It used to be that we had a unit whose job was, so to speak, to act as the school. They trained the people and then they went to the squadrons. We have had to pull this in, and we now do it within our wing complex.

As far as the medical units are concerned, the army has doctors in their medical units. Again, as we were on an enforced economy drive, we had to figure out what was our job, and we felt that our job was to provide the country with as many operational aircrew and aircraft as possible to get on with the flying side of it. It was with reluctance that we had to leave the doctoring to our associates in the army.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): What would be the strength of the new auxiliary air force as you see it?

Mr. DRAPER: The strength would be somewhere around 860.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): And what was it?

Mr. DRAPER: Twenty three hundred.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Thank you.

The CHAIRMAN: Mr. MacRae.

Mr. HARKNESS: Mr. Chairman, I wonder whether Mr. MacRae would mind if I asked three or four questions at this time. I have a long standing out of town engagement.

The CHAIRMAN: Go ahead, Mr. Harkness.

Mr. HARKNESS: How many and what type of aircraft do the six remaining squadrons have?

Mr. DRAPER: Each squadron is equipped with four Otters and four Expeditors. In two of the six squadrons, two of the Otters are amphibious, so we have four amphibious Otters, 20 wheel-ski configurations and 24 Expeditors.

Mr. HARKNESS: Is this a sufficient number of aircraft to carry on the role you envisage in the immediate future?

Mr. DRAPER: In the immediate future, yes, but we would like to see it expanded, because we find we are able to get more aircrew than we have aircraft time available to keep them trained to the full operational requirement set down by Air Transport Command. We feel we should have greater strength, but we are limited by the fact that we only have so many hours in which we can fly them. We can use more aircraft because we could provide more crews and trained personnel.

Mr. HARKNESS: I take it that you recommend these present aircraft be replaced, supplemented, or increased, perhaps, by additional aircraft in the form of Caribous or Dakotas.

Mr. DRAPER: Replaced. I think we would like to see our Expeditors replaced by Dakotas or Caribous. It may not be that we would get them on a

one for one basis, but we feel we could do more with these aircraft. For instance, a Dakota costs 2.7 times as much as an Expeditor, but the cargo capacity is three to one, and the passenger capacity 4½ to one, so you are getting more for the ultimate dollar. In the case of the Caribou it is three point four times as expensive, but its cargo capacity is five times as great, and its passenger capacity eight times as great; in addition, it can operate, just about, off anything, whereas the Expeditor cannot.

Mr. HARKNESS: To your knowledge, does the R.C.A.F. hold in non-operational use the Dakotas which could be made available?

Mr. DRAPER: They do hold Dakotas, but I would not say they are in non-operational use. I do not think these are in the bank, so to speak. They are all attached to units and are used in training or in transport commands, or air defence commands. To the best of my knowledge, they all are in use.

Mr. HARKNESS: Are there any other aircraft at present being held in moth balls which you could use?

Mr. DRAPER: To the best of our knowledge there are no aircraft in the present air force inventory which are not being used which would do a better job than the Expeditor. If this had been the case, we certainly would have asked for them long before now.

Mr. HARKNESS: The only possibility of increasing your load carrying capacity without a capital expenditure would be by having turned over to you some of the Dakotas which at present are being used by the regular R.C.A.F.

Mr. DRAPER: Yes, sir.

Mr. HARKNESS: In connection with what you put down as your secondary role—and I am thinking particularly of search operations, aid to the civil authorities in the event of a regional emergency or disaster, and rescue and mercy flights—and in view of the five squadrons now having been disbanded, what exists to carry out those functions?

Mr. DRAPER: The short range transport function that was operated by those squadrons obviously has been taken over by the regular force because there was nobody there to do it. The search operations are taken on by those units which are designated as search and rescue units, which must fly, when looking for lost aircraft, by pooling with aircraft from training command. In the past they would not have engaged in these searches when the auxiliary was called out. The auxiliary flew 600 search hours when we were looking for Dr. Michaud, a year or so ago. The area covered by that search still is served by auxiliary squadrons. However, on the Pacific coast, for instance, there are not now any auxiliary squadrons, and in the event of a search developing, aircraft would have to be flown in from perhaps Edmonton or they would have to operate out of Comox, or perhaps Vancouver.

Mr. HARKNESS: So, the apparent saving secured by disbanding these five squadrons, in many cases, is not a real saving so far as these functions are concerned.

Mr. DRAPER: I think that is a reasonable assumption.

Mr. HARKNESS: In respect of the whole region of southern Alberta where these functions were carried on by the flying squadrons in Calgary, which now have been disbanded, anything along this line now would have to be carried on by aircraft actually from Edmonton?

Mr. DRAPER: Yes.

Mr. HARKNESS: I would think the actual cost of carrying on operations of those three types now will be considerably greater than was the case before.

Mr. DRAPER: I cannot disagree with you on that, but I am not an authority on the costing side of it. I would imagine that if a search did develop in

southern Alberta, the aircraft certainly would have to come from Namao or Rivers, or some of these places. If they were concentrated in that area, they would have to move a temporary search headquarters into McColl field and operate out of there.

Mr. HARKNESS: I think this is one of the rather serious losses which has resulted from the disbandment of these squadrons in Calgary. I would hope it might be possible to reactivate at least one of the squadrons there in order to have something to carry on search and rescue operations for which there constantly is a need in that whole area of southern Alberta.

Mr. DRAPER: I am sure my associates in Calgary will join me in welcoming your suggestion; we certainly endorse it.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): May I ask a supplementary question? Would your associates in Calgary feel that the cost of maintaining the squadron would be justified by the occasional air search that this squadron would carry on?

Mr. DRAPER: No, sir; there is no question of that at all.

Mr. MACLEAN (*Queens*): Earlier in his evidence Group Captain Draper gave the cost of the Caribou compared to the Dakota. I think he meant compared to the Expeditor.

Mr. DRAPER: Yes.

Mr. MACRAE: My first question dealing with the roles and item (j) with regard to aircraft in the R.C.A.F. inventory, and so on, has been completely and lucidly answered. My second question deals with the recommendation above, which is recommendation (i) found on page 5 of the report. This recommendation states:

> the terms of service of an auxiliary officer or airman should be changed to ensure his availability when required.

I wonder whether you would explain just what the term "service of an auxiliary officer or airman" in the air force means, and what you suggest should be the changes.

Mr. DRAPER: An officer serves at the Queen's pleasure; an airman enlists for three years, and can re-enlist for that period. The intent here, I think, was covered in part when I appeared before this committee with the Conference of Defence Associations. I believe it was Mr. Smith who asked what guarantee we have that we can use the reserve forces when we need them. What we are suggesting here—and I would add this was without any question the unanimous feeling of all the auxiliary people—is that our job is to be there when we are required. Under the present terms of the National Defence Act it takes a national emergency to call out the reserves. We are suggesting here that this act well could be amended so that the reserves could be called out for something less than a national emergency on a unit or individual basis to serve the country; but this would require, we feel, a provision of job security similar to that offered by the United States National Guard in respect of which the president can call them out as units for periods and they have, to put it bluntly, job protection. They go back to their jobs. In the present circumstance, if we detailed a search for three months, you probably would get away with it once, but if you made a regular habit of it, the employers of the personnel might get fed up. So, we think it not unreasonable that some protection should be afforded.

Mr. MACRAE: The terms of service in the air force auxiliary are exactly the same as in the militia?

Mr. DRAPER: Yes.

Mr. MacRae: In your own experience and in the experience of your fellow commanders, are you able to take all the officers and airmen who wish to go into a summer camp such as at Camp Gagetown this summer; do all of those who wish to go have the opportunity?

Mr. Draper: Yes, sir.

Mr. MacLean (*Queens*): I would like to pursue a little further the line of questioning initiated by Mr. Asselin with regard to the question of leasing accommodation as recommended under (d) on page 4. Has any study been made with regard to the comparable cost of doing it in this way; would it be cheaper or not? I would like you to explain, in layman's language, and in a little more detail, exactly what is envisaged.

I believe that during the commonwealth air training scheme, during world war II, there was air flying training operated by civilian contractors. I believe that even now the R.C.A.F. and the United States air forces have air training operations conducted by civilian contractors. Have any studies been made along this line with regard to the efficiency in terms of cost of operating auxiliary squadrons and having this service provided by civilian contractors?

Mr. Draper: Yes, sir. I anticipated that this might be an area where questions might be asked. When we talk about non-R.C.A.F. bases, it must be understood that this was not intended to apply to Toronto, Montreal, Winnipeg, or Edmonton, where it is obviously cheaper to operate from service bases, and where facilities are presently in use, which would lie idle if auxiliaries were not occupying them. It was hoped that a further detailed study would confirm our belief that at Vancouver, Calgary, Edmonton, and Saskatoon we could lease hangar space on existing aerodromes and share accommodation with other reserve force units in these areas.

At Hamilton or Calgary we would expect the second line of overhaul to be done by the R.C.A.F. at our bases, such as at Toronto or Edmonton. Therefore, fewer regular force personnel would be required. In the case of Vancouver it is probable that even second line maintenance that we now have would be done by contract.

We have only rough estimates on the relative costing. However our figures, which were secured by a member of a committee with a long history in the Canadian aircraft industry, indicate the possibility of a reduction in cost as opposed to an increase if we are to operate on this basis.

I cannot go any further because our studies were done very quickly. In fact, all we did was to make out, so to speak, tenders. We asked civilian suppliers, such as one from the Northwest Industries at Edmonton, and one from Timmins Aviation at Montreal to submit tenders on the job as we saw it, that we thought could be done, in order to get prices. The prices that came in indicated if anything that they were slightly lower than having it done by service personnel. I think that tenders are notoriously low initially, so to speak, when they are put in for budget financing.

Mr. MacLean (*Queens*): This is probably outside your terms of reference, but it has been suggested that it would produce a savings to operate even the permanent force training instruction in this way. Have you any opinion to offer or any figures that you obtained, from studying this matter, from the other air forces that do have training instruction operated by civilian contractors?

Mr. Draper: I do not have that information. Frankly, I did not attempt to get it. I did not have the time to do it under these circumstances. I think I would be stepping away out of line if I attempted to tell my associates how to run their air lines.

Mr. MacLean (*Queens*): You mentioned that in some cases search operations cut deeply into your budget, and that it was an uncontrollable expense.

Mr. Draper: Yes, sir.

Mr. MacLean (*Queens*): In your judgment could the cost of search operations be drastically cut by the employment of more modern equipment? I am not thinking now that the auxiliaries should be equipped with this equipment, but in your judgment, is there a more efficient way in which to do search operations?

Mr. Draper: There is a more efficient way to do search operations, yes. This is by using crash position indicators; but you must remember that if you work roughly on the basis of $35 an hour cost, and if you have to use 600 hours, for example, as in looking for Dr. Michaud, this does not include the crew time or the salary spent; but it would have been considerably more economic if the government provided free a crash position indicator which we could operate and home on right away.

The only way I think this could be done would be to make it a condition when obtaining an aircraft permit or licence in Canada, that there was an aircraft crash position indicator on it. But this of course would impose a financial obligation upon the civilian individual and he might not take kindly to this type of legislation. But from the department's point of view it would be almost cheaper to equip them all as a gift, and to get out of the search business, and go straight to it.

The Chairman: Do you have any indication of the cost of a crash position indicator?

Mr. Draper: I am sorry, but I have not. I could probably get it for you by this afternoon should we have a session then. We shall attempt to secure that information for you by this afternoon.

Mr. Asselin (*Notre-Dame-de-Grâce*): You think it would be a money-saving idea?

Mr. Draper: I do not have the authority to legislate it.

Mr. MacLean (*Queens*): I made the suggestion some years ago that they should be made available to operators of private aircraft so that we would not be wasting an amount of money like that for search operations.

Mr. Draper: All our aircraft are equipped with SARAH, but it depends on the civilian operator to have a SARAH transmitter which could take it up. They just do not do this.

Mr. MacLean (*Queens*): What is your main source of air crew at the present time? I suppose after the war they were mostly personnel who had served in the regular forces at one time or another. But now where do you get them?

Mr. Draper: Right now we have several sources; our retreads are going, there are very few of us left who are still within the age limit. The post war entries have come from short service people being released from air force upon the completion of their short service commission, who have a good record which we consider acceptable, or short, short service commission people who are people sponsored by the auxiliary, who come into the air force after training. They take roughly a year out of their lives, and they come in and are trained. Whether or not they go back to the auxiliary or to regular force—history shows that the majority of them have joined the regular force. This is a good thing. It provides a good source of people. But they are all previously trained military pilots with their R.C.A.F. graduation, that is, their wings.

Mr. MacLean (*Queens*): You do not get any who have only civilian training?

Mr. Draper: No, sir, none at all.

Mr. McNulty: I have one short question on page 8 under "Operating costs", item (d) "disbandment of all auxiliary bands". This may have been

touched upon, I am not sure. But I was wondering how many bands are involved, and what substantial savings would be involved?

Mr. DRAPER: I would not say that they would be substantial; but we were out to save every dollar that we could with a view to retaining operational units. We found it difficult to justify the retention of a band, let us say, when it would have kept another air plane flying. The price of a brass band is $19,500 a year. That is for a brass band. A pipe band costs $9,500 a year. We have presently a total of six bands in the auxiliary, and I believe four of them are brass bands, while two are pipe bands. We dearly love our bands, but we dearly love our aircraft just a bit more. We wanted to keep the aircraft.

Mr. TEMPLE: How many aircraft were there at each squadron previously?

Mr. DRAPER: The same number, but the disposition was different. We had two Otters, and six Expeditors at that time, whereas now we have four Otters, and four Expeditors.

Mr. TEMPLE: You have two more Otters than you had previously. At the top of page 8 you say:

> The committee considers that it is entirely feasible to operate squadrons in cities in which there are no R.C.A.F. bases. This could be accomplished by renting hangar facilities and combining with the army and navy units for mess accommodation. Supply, accounting, and other services could be obtained as required from the nearest permanent R.C.A.F. base.

I take it that you are in favour of integration.

Mr. DRAPER: Do you want my personal opinion on it? We have been working with the army for a number of years. If you take it out of the context of its being the army, navy, or air force, and look at it, it is the Department of National Defence for whom we all work. We are already, to that degree, integrated, and if it should go a little further, I can see no harm in it at all. That is my personal opinion.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I am wondering, in view of the fact that every year in Canada millions of dollars are lost through forest fires, whether you or your committee have given any consideration to the capability of fighting them, or giving assistance to local authorities or to provincial governments or anybody else engaged in this realm of forest fire fighting? I understand that equipment is now available for loading water while in flight—equipment that can be attached quite easily. Have you considered this as a role to add to your search operations and your rescue operations?

Mr. DRAPER: No, we have only four aircraft in the auxiliary with float capability, and they have amphibious floats because we have to be able to land on the aerodromes as well as on the water. It is doubtful whether we could carry water bombing equipment with amphibious floats. In the provincial air services there are 34 aircraft which are equipped with water bombing equipment, and these are located in the areas where they would be most used. Our contribution would be relatively small; but certainly if we see a fire we report it immediately to the departments of land and forests, and we will continue to do so.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Must the aircraft be amphibious? I understood that recently-devised equipment allowed one to load water without landing on the water; in other words, by flying close to it.

Mr. DRAPER: I would not like to do it. I have seen it being done on television using a Canso and there was an awful lot of spray coming up. I think you would find the aircraft would be skimming because the snorkel has to go into the water, and the snorkel is only a couple of feet long. I would not

want to fly a land-based aircraft as close to the water as that; it would be unhealthy.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Then, in other words, you have only four aircraft that could do this?

The CHAIRMAN: We have now arrived at the time at which we should deal with the Naval Reserve. Our witness is Commodore Hendy, who will introduce his associate.

Mr. LAMBERT: Before Commodore Hendy does that, as we still have some questions for Group Captain Draper I wonder if you have any idea when we will reconvene so we can also arrange our times.

The CHAIRMAN: I think we should reconvene immediately after Orders of the Day have been called, if that is convenient, to complete the questions that remain after adjournment at one o'clock.

Commodore Hendy.

Mr. ROBERT I. HENDY (*Commodore, R.C.N.R. (retired)*; Chairman, ministerial committee on the role and organization of the Royal Canadian Naval Reserve): Fortuitously, Mr. Chairman, I have with me today Captain McIlhagga, one of the members of the committee which I chaired. Captain McIlhagga is from Winnipeg. He has had over 20 years' service in the naval reserve. He served in the coastal forces in world war II and he has commanded the naval reserve unit in Winnipeg. Captain McIlhagga is a graduate of the National Defence College at Kingston, and he was honorary A.D.C. to the Governor General.

In so far as the work of our committee was concerned, we were under the same time restrictions as those mentioned by Group Captain Draper. We have outlined in our report how we operated, and I think it is self-explanatory.

I would like to say at the outset that we have been critical of certain things in so far as the naval reserve is concerned, but I must emphasize to the committee—and I think this is an omission in our report, one that I regret—that on the whole the naval reserve has a good esprit de corps, and their officers are well trained through the University Naval Training Division. On the whole, the units are extremely well housed; they are in buildings that are nearly all of post war construction, and the relations with the regular force in connection with training and other matters are good. Where we have been critical, it is because we felt there were things that should be said in the light of our terms of reference and our work, but I want to emphasize that basically the naval reserve situation is all right. However, there is always room for improvement; hence the comments and the criticisms we have made.

Our report, like that of the air force, was finished before the white paper was handed down, and I would say that the naval reserve's role and tasks would not be unduly affected by the concepts outlined in the white paper. In other words, we are supporting a maritime force and, so long as we have that maritime force, our position is that there must be a naval reserve to back it up. What the name should be or how it should be organized is something that has not been disclosed yet, but I am confident from reading the white paper that Canada's naval capability is to be continued in about the same manner as at present.

I will be glad to deal with any questions the members might wish to put to me.

Mr. GROOS: The emphasis in the white paper is on the desirability of forces in being. I therefore want to speak to you about the reserve naval air division in Victoria which is being disbanded. I notice there were two naval air reserve divisions that were disbanded, one in Toronto and one in Victoria, and it seems to me that these have a very important role to play.

They are forces in being immediately available for use, and there is a very definite requirement for their services if they are to adopt this concept.

I wonder whether you have given consideration to re-activating or making recommendations for the re-activation of the reserve divisions, particularly the one in Victoria which is immediately available to the naval forces, perhaps using some of the savings that you have recommended in your document.

Mr. HENDY: Mr. Chairman, we did deal extensively with the Naval Air Reserve squadrons on page 15 of the report. Our recommendation was that both the one in Victoria and the one in Toronto should be retained. This comes down, as in the case of the auxiliary air force, to a budgetary matter. We thought we had indicated savings which were substantial enough to maintain the reserve exactly as it was prior to December 4, 1963. The navy has said that the reserve air squadrons are too expensive, and therefore they are not prepared to allot this money, irrespective of the merits.

Mr. GROOS: Excuse me, this is a recommendation of the Navy, is it?

Mr. HENDY: This is in the budget aspect. The Navy says that the air squadron is more expendable than something else because of its very high cost factor. It costs a great deal more to keep one naval reserve airman than to keep executive personnel. You are aware of that. As far as we see it, that is the basis of the recommendation.

There are a great many naval air pilots who are not in flying appointments now, and the navy feels it has a strong backlog of pilots upon which to draw from that source. There are only so many aircraft. There is no bank of naval aircraft of which I am aware, so if the reserve squadrons are to be kept in commission, they would soon have to be re-equipped. We are flying the same type of aircraft as the air force—the Expeditors. We were not flying Otters. The Expeditors were rapidly reaching the end of their life; and there were re-equipment problems. Those were the reasons against the retention of the air squadrons, notwithstanding the fact that it was realized that the air squadrons were useful.

In connection with other countries, let me say that the United States navy maintains their reserve squadrons at a very high degree of efficiency. A United States reserve squadron operated out of Halifax on an exercise this summer. They are equipped with the S-2F tracker, which we use; but it is a matter of dollars and cents, I think.

Mr. GROOS: The remarks I made to Group Captain Draper concerning the advisability of maintaining the reserves or auxiliaries in their present state until such time as the integration of the armed services takes more definite form apply equally well in this case of the naval reserve. I just wanted to put that on record.

I have one more small point for Commodore Hendy. I notice that on page 5 an appendix is referred to, but I could not find it. Can you tell me about this? It is stated that this is a brief of the Naval Officers Association of Canada (Victoria).

Mr. HENDY: I have a copy here; it is rather bulky.

Mr. GROOS: I would also like to say, Mr. Chairman, that if I am not here this afternoon it is because I have a long standing commitment that will not permit me to be here.

Mr. TEMPLE: Commodore, what was your budget before the new budget?

Mr. HENDY: Approximately $6 million.

Mr. TEMPLE: What is it now?

Mr. HENDY: It is now $4.2 million. The total saved is $1.8 million.

Mr. TEMPLE: Can you tell me what percentage of men turn out for your drills?

Mr. HENDY: Well, this will vary from division to division but, taking it on an across the board basis, I would say there is about 50 per cent on any one drill night.

Mr. TEMPLE: I am referring to page 40 of your summary of findings. In the first principal finding you state:

> The increased commitments which the R.C.N. is faced with, dictate the need for a strong and efficient reserve to back it up in all its elements.

By "increased commitments" do you mean the commitments since the second world war or the increased commitments in the last year or two?

Mr. HENDY: Basically, since the second world war and certainly in comparison with what we did between the wars.

Mr. TEMPLE: That will be all.

The CHAIRMAN: Would you proceed, Mr. MacLean.

Mr. MACLEAN (*Queens*): I would like to refer to statements made on pages 37, 38 and I believe, somewhere else. I take it that it is recommended that the division in Charlottetown, H.M.C.S. *Queen Charlotte,* should be continued if at all possible.

Mr. HENDY: Yes.

Mr. MACLEAN (*Queens*): I have no other questions to ask at this time.

The CHAIRMAN: I have no further questioners.

Mr. MACRAE: Perhaps I could ask one brief question. I am referring to recommendation number 8 at page 45, which says:

> Personnel administration especially in respect to multiplication of reports, returns and other documentation be revised and the principle of the administration of the R.C.N.V.R. prior to 1939 be borne in mind with a view to simplifying procedures in this regard.

In effect, are you saying here that the naval reserve is bogged down with paper all the time and that there is far too much documentation required and all that sort of thing? I know that seemed to be the feeling in the militia, and I have had personal experience there.

Mr. HENDY: Yes. This is one place where integration does exist and all three services are inundated with paper, which seems to be increasing.

Mr. MACLEAN (*Queens*): I have one additional question by way of seeking information. Would you compare very briefly the naval reserve now and its establishment between the wars. Could you give us also what the changes are. Are there a vastly greater number of naval reserve stations now?

Mr. HENDY: No.

Mr. MACLEAN (*Queens*): Or, are their strengths greater or lesser? What is the situation?

Mr. HENDY: The number of units before the cut was approximately the same as it was in 1939. We have not established a new unit in any one location with the exception of the tender at Kitchener. We have basically the same number of establishments. But, these establishments are considerably more elaborate in respect of their physical surroundings, their equipment and the personnel than they were in 1939. The strength of the R.C.N.V.R., of which I am talking now, as opposed to the maritime reserve, the people in the merchant ships, was about 1,500. It had been increasing. There were units started in the 1930's. We started Port Arthur, Kingston and London. These are all I can think of at the present time. However, the number of units was the same but they were on a lower complement basis.

Now, going back even further, the Naval Services Act was passed in 1910 and there was a volunteer force created. This covered the availability of

personnel, which has been dwelt on by Group Captain Draper. However, under that act there was an obligation for naval reserves to be called out without giving their consent beforehand, as I read the naval services act of 1910. Now, in respect of the National Defence Act, we have a provision in section 35 which only permits the reserves to be called out with their consent. This is one difference which I think exists. I am not exactly sure what the position was in 1939; all I remember is when war was imminent we were summoned by the commanding officer who said: "I want some officers," and we all went.

Mr. MacLean (*Queens*): Would you say a word in that connection in respect of the use that was made of the R.C.N.V.R. at the outbreak of world war II in 1939? I have the impression that at that time the R.C.N.V.R. provided a great source of strength to the regular navy immediately at the outbreak of war. I understand experienced officers and men who had been trained went into the service immediately.

Mr. Hendy: Well, by the end of September, 1939, almost 100 per cent of the officers on the strength of the R.C.N.V.R. had been mobilized and approximately one third of the men. At that point our naval commitments did not look very large. In fact, I think it was the opinion of one of the senior officers at naval headquarters at that time that the entire strength of the navy in the war that had just begun would never exceed 5,000, but we went up to 100,000. So, there were not the places to put people in the early stages. We had to develop and we did develop as our shipbuilding program progressed. But, I think our commitments are far greater now because the complexities of the situation have increased and the threat has increased. In 1939 we were faced with a submarine offensive by Nazi Germany with about 35 submarines in commission and we are now faced with a potential threat of 400, and even if they put one twentieth of these in the vicinity of the maritime provinces they could create chaos to the shipping at sea at the outbreak of war. This would require far greater naval control than that with which we were faced in 1939 and, hence, the need to have reserves available to do this job.

But, basically, the job of the naval reserve has not changed. We are available to back up complements of ships, man bases and provide recruiting facilities across the country, and this is one of the reasons for our locations in principal cities.

Mr. MacLean (*Queens*): Therefore, there is a far greater number of ships required for back up at the present time than was required in 1939. Could you give us an idea of the comparable numbers of ships in commission now in the regular navy as compared to 1939?

Mr. Hendy: There were about 12. We had 6 destroyers, 4 minesweepers and a couple of other auxiliaries in 1939, and now we have about 45 ships, which are much bigger and more complex. But, there is this difference; in 1939 the complements were somewhere around 60 to 75 per cent of war strength, whereas today they are closer to 90 per cent.

The Chairman: Have you a question, Mr. Asselin.

Mr. Asselin (*Notre-Dame-de-Grâce*): Commodore, in paragraph 13 of your summary of findings at page 41 it is stated:

> The R.C.N.R. is basically well suited to and appears satisfied with the tasks allotted to it by naval board minute of 9 November, 1960.

Would these be about the same tasks you just have enumerated in that connection?

Mr. Hendy: Yes.

Mr. Asselin (*Notre-Dame-de-Grâce*): Were there any others?

Mr. HENDY: Well, there is the survival role, which is very auxiliary, but this again is a question of a trained disciplined force available to help, if needed, which we have demonstrated in the naval reserve all across Canada.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): But, primarily, they have a back up role for recruiting across the country.

Mr. HENDY: Yes.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): As well as the tasks outlined there?

Mr. HENDY: Yes. We have a regular navy now of 21,000 odd and a reserve of about 3,000. In 1939 we had a regular navy of under 2,000 and a naval reserve about the same. So, the naval commitment has increased and we have to back it up.

Mr. ASSELIN (*Notre-Dame-de-Grace*): In the summary of findings, page 43, (27) (e), you state:

> By reviewing the needs for motor transport. Many divisions indicated staff cars were not essential.

In looking under your recommendations I do not find that you follow through with a recommendation that non-essential staff cars be dispensed with. That is the first part of my question and while giving you an opportunity to think about that I would now put the second part of the question. If many divisions indicated staff cars were not essential this would seem to indicate to me that some are essential. Would you please tell me which ones are essential?

Mr. HENDY: Well, the failure to put it in the recommendations to be implemented is obviously one of authorship. This report was still in the hands of the printer at 12 a.m. Friday and it had to be on the minister's desk Saturday morning. This is really the first draft and there are a great many limitations in language and other things, and I apologize for these omissions.

I believe that action has been taken to review the requirements of staff cars. From the point of view of purely operating many naval units as a naval reserve unit alone with no concept of the R.C.N. regular forces function in the area the staff car is not essential; a truck is useful. But, there are places where there is a great deal of naval traffic, for example through Winnipeg, Toronto and Vancouver, where a staff car is a form of transport to get people who are transients in the area about.

Mr. ASSELIN (*Notre-Dame-de-Grace*): Reserve personnel or permanent personnel?

Mr. HENDY: Principally permanent personnel.

Mr. ASSELIN (*Notre-Dame-de-Grace*): In that case why are staff cars charged to the reserve?

Mr. HENDY: This is what we said in our report. It is a problem of costing. The reserves accept this. I am not saying this as a criticism.

Mr. ASSELIN (*Notre-Dame-de-Grace*): It is probably a happy acceptance, a staff car is at their disposal, but it brings with it the inconvenience of being carged with it when you probably do not need it except possibly on the evenings when you have drills.

Mr. HENDY: They are not used on those occasions only. What we are faced with here is that the naval reserve units are fleet establishments of the navy. While their primary function is, apparently, the support of a naval reserve unit, they also carry out a great many functions for the R.C.N. One of the things that staff cars are used for is for apprehending deserters. I know that in my division the car was out a lot on that sort of thing.

Mr. ASSELIN (*Notre-Dame-de-Grace*): Is this one of the tasks of the naval reserve?

Mr. HENDY: There are a great many regular force people coming through a centre such as Toronto. It is a release centre for people leaving the navy as well as a primary recruiting centre. We also carry accounts for officers in the Air Force College, at De Havilland aircraft, the Inglis Co., therefore you get the R.C.N. administrative requirement for transportation. From the reserve point of view, to go back to 1939, there was really no R.C.N. regular force requirement at that time, and you could operate very simply. However, now that there are fleet establishments and they are doing a job which is probably far beyond reserve from a costing point of view, these things should be separated. I do not think the cost to the naval reserve is in the $6 million figure. That was what we were trying to show in our report.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You mentioned desertion. I presume it is occasional?

Mr. HENDY: It is occasional but it still exists.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Would it justify the retention of staff cars in particular?

Mr. HENDY: It would depend on the centre. There are other uses for staff cars as well.

Mr. ASSELIN (*Notre-Dame-de-Grâce*) Does not the regular navy have a police force?

Mr. HENDY: No.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Do they not have a provost corps?

Mr. HENDY: We have a regulating branch which does police work, but it is not the same concept.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): There seems to be a tremendous overlapping of responsibility between the regular navy and the naval reserve.

Mr. HENDY: I do not think it is overlapping. The reserve considers itself as part of the navy. These jobs have to be done. When they say that we have a budget of $6 million and we have to cut it by $1.8 million, the naval reserve says, "Is not a lot of this $6 million spent on functions that are not related to the Reserve?" Even if you eliminated the naval reserve you are still going to have someone left over to perform these regular force functions in various areas where they exist.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Certainly in the realm of transportation, the movement of regular force personnel through such centres as Winnipeg, if you are retaining staff cars or other equipment for such a purpose, it would seem unjustified from the accounting point of view that the naval reserve should be charged with it. That is going to be assigned to you as a task.

Mr. HENDY: It is unfortunate that we should have to get into this because, as I say, the reserve is part of the navy, but the figures have to be looked at when you look at that one section.

Mr. DEACHMAN: I want to refer to page 14 on the subject of university naval training divisions. In the second paragraph on page 14 it is said:

> There is comment, and perhaps criticism, in some quarters that the U.N.T.D. does not require its graduates to affiliate with the R.C.N.R. on graduation and also that it is training far too many officers for the numbers required to man the reserve active list.

And then it goes on to say:

> There is also certain comment that the U.N.T.D. really provides a form of subsidy to assist the cadets to achieve a university education at the expense of the crown without any corresponding obligation to become members of the active reserve for any period afterward.

I sense in your opening paragraph that there is some real difficulty indeed with this program as it relates to the Reserve and I wonder if you would like to comment on that section.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): It comes into conflict with the B.N.A. Act, jurisdiction over education.

Mr. DEACHMAN: Holy smoke! If I were told we were going to poke into that again I would have kept quiet.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Are you a lawyer, Commodore?

Mr. HENDY: Yes. This question of affiliation or obligation to serve was exploited when we appeared before this committee before. We do not think that someone should get this training and then, when he is finished, not have an obligation to be of use to the service that has trained him. Some universities are located in areas at some distance from a naval division. There are smaller universities—this is not a criticism of the university but it is a fact—that have very small units, so that the chances of obtaining officers from that unit to serve in the nearest naval division are very slim because they may not go to a town where there is a naval division. From that point of view the U.N.T.D. did become established in too many places. On the other hand, the U.N.T.D. scheme, as far as the naval reserve is concerned is on the whole a resounding success. I think that our officers today, who are very largely graduates of the U.N.T.D. system are capable and well trained and able to take their parts in mobilization, probably to a far better extent than we were in 1939. So that from the point of view of the navy's return from the U.N.T.D., we are very satisfied with the product. Where the criticism comes in is that we are producing perhaps more than we really need. Is there a wastage there? This comment about the subsidy has been expressed. The whole matter, I know, is being explored by the military studies committee of the national conference of Canadian universities and colleges. I do not know what they are going to come up with. From the navy's point of view we would not want to see the U.N.T.D. program restricted so as to limit the number of officers we are getting. What we want to do is to eliminate the training of people we know we have no chance of getting. I was certainly pleased with the officers I got when I was in command, and I am sure others will say the same thing. At one time I was getting about 20 officers a year from the University of Toronto.

Mr. DEACHMAN: So you are getting enough officers from the U.N.T.D. program and they are good officers but your criticism is that there is a good deal of wastage in the program?

Mr. HENDY: There is some, not as much as there used to be. There is, however, still no obligation to serve, so that when they graduate they can say, "I am not going to go on the active list".

Mr. DEACHMAN: You believe there should be an obligation to serve?

Mr. HENDY: Yes.

Mr. DEACHMAN: What sort of obligation should that be?

Mr. HENDY: A minimum of three years in the active reserve.

Mr. DEACHMAN: What would that mean to an individual who came under that obligation? What does it compel him to do over those three years?

Mr. HENDY: Exactly what he has been doing for the previous three years, training one night a week as a cadet and in the summer he would have to take two weeks training.

Mr. DEACHMAN: Would this interfere with the employment of a young man coming out of the university and attempting to get himself established?

Mr. HENDY: I do not think so. There are lots of people who are doing it in the militia, in the air force, as well as in the navy. There are some cases

where it would, and you cannot make a firm rule which is completely inflexible. This should be the navy's decision.

Mr. DEACHMAN: But is this not an onerous commitment for a working man?

Mr. HENDY: No, sir.

The CHAIRMAN: There are no further questions. Some members of the Committee have indicated that they would like to ask some questions this afternoon. I think we should reconvene at 3:15 or when orders of the day have been called, and reconvene as quickly as possible. We would then not need to sit for too long a period this afternoon. I will ask you all to come here as soon as possible after orders of the day. The meeting is adjourned.

AFTERNOON SITTING

THURSDAY, August 13, 1964.

The CHAIRMAN: Gentlemen, one of our committee members, who is a good mathematician, has suggested we might have a quorum. We will proceed with the questioning and I will allow questions either on the Navy or on the Air Force rather than attempt to segregate them into brackets.

Mr. LAMBERT: Mr. Chairman, for the sake of trying to look at things in the record later on, let us see whether we can exhaust one area first, and then proceed to the other. We will not exhaust the witnesses, but will endeavour to exhaust one area first.

The CHAIRMAN: If it is the wish of the committee, we will start with the Air Force and then go to the Navy. If there are any tag ends in respect of the Air Force, then we could come back to that.

Before we start the questioning, I believe Group Captain Draper has some information in answer to a question raised this morning.

Mr. DRAPER: Mr. Chairman, this morning someone inquired with regard to the cost of a crash position indicator. The only information we have been able to obtain in respect of this is that there is a unit made by Leigh Instruments in Carleton Place. The unit costs in the neighbourhood of $900. The installation of this unit on a pressurized aircraft such as a DC-8 or Yukon is estimated at $5,000. However, it is believed the installation cost on a light aircraft would be considerably less than that. Unfortunately, I cannot get the figures. I would suggest these could be obtained locally from this firm, Leigh Instruments in Carleton Place.

The other question concerned the cost involved in search and rescue. The estimate for the fiscal year 1964-65 for search and rescue in the R.C.A.F. is $11,425,000.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman and Group Captain Draper, more years ago than I care to mention here I was active in the auxiliary air force. One of our great problems was that the only active pilots we had were pilots who had been trained during the war. As I recall it, the attendance was not always of the best. I am speaking of a period following the war in the auxiliary air force. As this supply of trained pilots from the second world war began to run out, when these pilots went into other occupations, the auxiliary air force experienced a great deal of difficulty in finding replacements, and when it did it experienced difficulty in respect of how to train them. I wonder whether you could tell us what your attendance in respect of pilots is now, where they come from, and whether you feel there is a sufficient number of them to carry out the role which you have outlined.

Mr. DRAPER: Earlier this morning I mentioned that the retreads, those who were in the war as I was, are just about at an end. I would say that 95

per cent of the aircrew in the auxiliary are post-war trained. We have been in a fortunate position regarding aircrews since about 1956 in the Toronto area which I command.

We have a waiting list of aircrew and have had for a number of years. As a result of this, we are very selective in whom we accept as aircrew. Literally we accept only experienced pilots because they now are available in large numbers. We have a mandatory rule that our aircrew must attend 100 per cent of the time; there is no question about that. They must attend parades, although occasionally they will be excused for good reason.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): A weekday parade?

Mr. DRAPER: A weeknight parade. It is mandatory they attend on the flying week ends. In the Toronto area we attend on alternative week ends. If a person did not attend he would have to show just cause why he should be permitted to continue in the auxiliary air force.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): That seems to be a very happy situation compared to the one which existed in 1952.

Mr. DRAPER: I am pleased to say it has improved immeasurably in that respect.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): There seems to be a paradox here in that this really is quite different to the situation which exists, for instance, in the militia; you have 100 per cent attendance, whereas in other reserve situations we have a very poor attendance. I am bringing this up with a view to finding out whether or not some of the principles you have applied to obtain this happy situation might be useful in other reserve forces.

Mr. DRAPER: I think probably we have an attraction to our aircrew which may not exist in the other services. However, as I say, if you work on the basis that it is a tough outfit to get into and a lot tougher to stay in, this means you hold the key people who do the job and perform up to the standards we demand.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In other words, if we permitted the auxiliary air force to increase its flying squadrons, as you have suggested in your report, the personnel are available to man them.

Mr. DRAPER: Yes, sir.

Mr. LAMBERT: In recommendation (e) on page 4 you say that with the implementation of the prior recommendation there would be a significant reduction of regular force support personnel. Can you tell us what level of regular air force personnel was required as of December 5 to support the 11 squadrons and other units that were then on strength, what it is estimated to be now on the present basis, and what you estimate it would be in the event that your recommendation were implemented?

Mr. DRAPER: Let us say that roughly a year ago we had a regular force support staff attached to the auxiliary units throughout the country—

Mr. LAMBERT: May I interpose a question? Is this support group on full duty on an instructional basis or other basis with the reserve unit?

Mr. DRAPER: Their full time occupation is to support the reserve units, either as flying personnel or as ground crew. Prior to the cut-back there were 600. Our estimate of today's strength is 175. This large reduction in excess of 50 per cent is accounted for by the fact that two of the stations, Hamilton and Calgary, were maintained solely for the auxiliary air force, and there were, therefore, additional regular air force personnel there to maintain the station for the use of the auxiliary. A portion of the regular force personnel on station Vancouver was apportioned to the auxiliary, and the same applies to the station at Saskatoon.

If you take station Downsview as an example of the other side, it supports regular force squadron, and supply depot. The station is there anyway. The only people directly supporting the auxiliary are those attached to the squadron, numbering 22 souls per unit. Therefore, there are approximately 44 or 45 support people at station Downsview supporting the auxiliary.

Mr. MacLean (*Queens*): May I ask a supplementary question? The costs of these permanent force personnel are not placed against the auxiliary air force, so far as estimates are concerned; or are they?

Mr. Draper: Yes, sir.

Mr. MacLean (*Queens*): Is this part of the saving you achieve?

Mr. Draper: In the evidence of the associate minister given on July 21 at page 409, he states that the civilian and military personnel costs, regular force personnel, are $4,668,000, which formed a portion of the total of $10,700,000 to maintain the auxiliary. So, slightly over 40 per cent of the total auxiliary cost was actually regular force personnel, and, in this case, an additional 20 per cent, or $2 million, was assigned to upkeep of the stations—the real estate of those stations maintained only for the auxiliary.

Mr. MacLean (*Queens*): So, the reduction in the required permanent force personnel to support the auxiliary air force has been counted in another reduction from roughly $10 million to $3 million.

Mr. Draper: Yes, sir.

Mr. Lambert: Recommendation (c) deals with amalgamation of D.N.D. buildings and facilities for the reserve components of all three services. This is an intriguing recommendation. Do you mean, therefore, that in a situation like that which exists at Edmonton or Calgary, the R.C.A.F. reserve units could go into the militia barracks or the militia armouries.

Mr. Draper: Precisely.

Mr. Lambert: In Edmonton there is no need, and this would not apply because there already is a unit at the R.C.A.F. station at Namao. However, at Calgary it would mean they could be lodged in Mawatta armouries.

Mr. Draper: Or Tecumseh which is the naval division.

Mr. Lambert: This would apply also in Edmonton where the proposal had been to close down Nonsuch. Perhaps they could be connected with the Prince of Wales armouries.

Has this been discussed with the other services?

Mr. Draper: No, sir. But let me stipulate that this was the finding of the reserve air force; this was a recommendation of the reserve air force. A similar recommendation is incorporated I believe in the naval report. Perhaps Commodore Hendy might answer to that. If I am not mistaken I think it is also included in the Suttie commission report on the militia.

The Chairman: Perhaps Commodore Hendy might comment on it now.

Mr. Hendy: We have specifically recommended that general use of D.N.D buildings be made by all three reserve forces in order to get the maximum utilization, and tenancy was one of the factors.

Mr. Lambert: While this is all right as it goes for a suggestion, I think it should be recognized that in a number of centres the armouries which are the principal D.N.D. establishments are already heavily crowded. I was wondering how much of a hard look this had been given in conjunction with the other services which might be affected.

Mr. Draper: As far as we are concerned, naturally these people, these units which the minister had indicated would be disbanded, had a strong personal interest in this problem, and they looked into it rather carefully on a local basis. They realized that the accommodation which would be afforded to them would obviously not be the same as they had previously enjoyed. But if

they could literally have a roof over their heads, be it an armoury, a barn, or a hangar, this would have been more than adequate if they did not keep the aeroplanes. These would have been perfectly acceptable.

Mr. LAMBERT: I was thinking particularly of air force units in a place like Edmonton where they would be using, primarily, air cadets, and where they have one of the strongest reserve of cadets. There they are faced with the same problem in the air force as well as in the army, because with young soldiers Saturday is the day on which they parade. Traffic around the armouries district becomes impossible. They have an awful lot of people utilizing the drilling accommodation, the lecture rooms, and what have you. I was wondering if for this reason other people had been consulted in regard to this type of program.

Mr. DRAPER: I would say that we did not approach directly army headquarters or naval headquarters about this. But local meetings were held with the local opposite numbers for other services. So if the bell should start to ring, they would say: "Can you put us up somewhere and give us a room or an office?" And the opposite numbers said: "Sure. We will make a go of it."

Mr. LAMBERT: Knowing about the difficulty with many air cadets that we have in Edmonton, I was concerned over a period of years to see that they had a roof over their heads. It would have been important with Nonsuch if it could have provided them with proper accommodation, because between them and the naval cadets, a real problem is presented if Nonsuch is closed down. It is still hanging by a thread as far as the physical facilities are concerned. They should have an adequate place in which to combine them. I agree in principle with the recommendations you have made, provided there has been an appropriate consultation.

Mr. DRAPER: Again, we have not had the time to make a definitive study. But investigation, so far as we are able to go, was limited by time only and not by lack of co-operation. It indicated that it was a "go".

Mr. LAMBERT: One further question as to recommendation eight: Do you think that you will get the same result from young air cadets who went through air technical training units, now that they have been incorporated in the wings, that you would get through separate technical training units? I realize that you are faced with a cut of two thirds of your budget, and that you had to spring these things at the technical training units; but do you think you will get the same results?

Mr. DRAPER: We will get the same calibre of people. Our instructors, however, will have to work under greater handicaps than they did before; but they think that the results will be the same.

Mr. LAMBERT: Will you be able to afford the camp facilities, the six weeks training program that you did have?

Mr. DRAPER: No, sir. We voluntarily ceased that six weeks training a year or so ago. We now enlist people into the auxiliary and then train them, rather than training them first and hoping that they would join. It has been our experience with ground crew, bearing in mind our techical requirements, that the type of person best suited to remain in the auxiliary is not the chap who is finishing high school and is going on to university, because he is not going to stay ground crew. We are not going to get the benefit of his training. Nor is it the younger high school student who is probably looking for summer employment for the sake of getting employment and remuneration.

We are leaning towards people who are technically minded and who are going to technical schools, and who will end up as machinists or garage attendants, and who will have compatible civilian occupations. We find that you cannot expect a university student to remain as ground crew and by the

some taken, not everybody can expect to get to university. So we are going for the technically oriented person, because that is the type of person we are recruiting in our ground crew, and we are finding it more successful as far as we are concerned.

Mr. LAMBERT: I see. It had been my impression over the years in any event, after knowing one technical training unit, that they were funishing a rather remarkable number of recruits for the R.C.A.F.

Mr. DRAPER: For the regulars or for the reserves?

Mr. LAMBERT: For the regulars, and that this was an area in which young men were indoctrinated as high school students with the idea of the air force and with going into the air force, because they would get some preliminary training in the T.T.U., and would make admirable airmen because they were well trained men.

Mr. DRAPER: This was a fringe benefit of the days when we could afford to do it; it means that the regular forces got people that they might not otherwise have received. But unfortunately it was coming out of the auxiliary budget. As long as there are no restrictions on our budget, then we just love doing it. But when they say to us: "You will only have so much to spend on your unit. You should concern yourself about your unit and not with the entire air force," then we have no alternative other than just to look after our own units.

Mr. LAMBERT: This raises a further question. It makes no difference from the point of view of national defence whether it is you who spend the dollar, or whether it is the regulars who spend the dollar. They are going to have to spend the dollar anyway, because there are these men which you would normally have trained for the reserves.

Mr. DRAPER: I could not agree with you more; but unfortunately I just have so many dollars. My strength has been reduced. I have been told that I have only so much, and that I have to supply the auxiliary air force which the department has said it must have. That is my job.

Mr. LAMBERT: This sounds rather like the old bean game: Which shell is the bean under? Is it under this one, or under that one? I realize the problem you face, but I think it creates a little illusion.

Mr. DRAPER: I appreciate it that you are looking at the over-all picture. I hope you appreciate my position, that I have to look at the local position.

Mr. LAMBERT: I fully understand your position, but I am not overly impressed by generalized statements that are made as a result of it.

Now, in regard to item (k), have you ever had a senior staff adviser for auxiliary matters on the staff of the R.C.A.F. in the same way that the army at one time had a major general or a senior officer who was responsible for the militia?

Mr. DRAPER: No, sir, we have not, because I think of late in any event our system has been different. All the auxiliaries have been responsible to one command. In this case it is the air officer commanding the air transport command. Our feeling here was that an auxiliary officer, a senior officer, could fill what we consider to be a void, where he could assist the air officer commanding, because of his intimate knowledge with the auxiliary, and advise him, if you like, about how things are going in the auxiliary, and what needs to be done and so on with respect to the system, and staff planning. This was the intention of this insertion, namely, that there would be someone in the command who was available to the A.O.C., and who could pass on to him his advice if required, and who in some cases could act as some of us have been called on, as spokesmen for the auxiliary. That would be the type of job for this man.

Mr. LAMBERT: The alternative suggestion is in keeping with the recommendation made in the Suttie report, that there be a senior officer at air force headquarters responsible for your reserves, and in the case of the militia, for the militia.

Mr. DRAPER: Yes, there would be two ways, we felt, we could do it. You could have a regular group captain go around to visit the auxiliaries. But we felt that this was a rather expensive way to do it. We felt that a group captain who was paid on a per diem basis could do it at a savings in price. We offered two alternatives as recommendations.

Mr. LAMBERT: Thank you.

The CHAIRMAN: Now, Mr. McMillan? Have you some questions?

Mr. MCMILLAN: On page four, item (h), you say:

> There is no financial justification for the retention of medical units and technical training units.

How much would you save by eliminating them?

Mr. DRAPER: I am sorry that I do not have the figures with me to give to you exactly. It seems to me that the cost of the medical units that we have in Toronto, on the basis of salaries paid—I believe we have one of the best units in Toronto—and with the number of surgeons in all aspects of medicine, is something in the region of $14,000 a year. However these people are doctors, and when you need them they are available on a consulting basis. The militia units have the army medical corps, and perhaps you realize that some of our doctors, even if transferred to the army medical corps, would still be available to us in that capacity. But it was not part of our operational requirements to have a flight surgeon or field hospital.

Mr. MCMILLAN: I was not present this morning, but I suppose you gave your estimate of savings, or percentage of savings, in your recommendations?

Mr. DRAPER: The original cost of the auxiliary air force in toto, according to the Associate Minister of National Defence as given in his evidence, was $10,700,000 I believe for the preceding fiscal year, and it is estimated to be $3,000,000 for this year.

The CHAIRMAN: Are there any further questions on the Air Force Auxiliary?

Mr. MACLEAN (*Queens*): I have just two or three little tail-end questions to clear up certain things.

Do air force aircraft carry crash position indicators at the present time?

Mr. DRAPER: I believe at the present time there is a development study going on to equip our big aircraft—that is, our Yukon aircraft—with crash position indicators.

Mr. MACLEAN (*Queens*): What about the SARAH transmitters. Am I correct that our aircraft carry these?

Mr. DRAPER: Yes. However, not all of our aircraft carry them. Those which will be operating over routes which require them will be carrying them.

The CHAIRMAN: If I might ask an explanatory question at this time, is it not a Department of Transport ruling that a civilian aircraft going into remote civilian areas must carry SARAH transmitters?

Mr. DRAPER: I do not know of it if this is so, but I do not believe it is the case.

The CHAIRMAN: That completes our questioning on the air force. We will now switch our questioning to Commodore Hendy in respect of the navy.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): If I might interject here, Mr. Chairman, possibly the group Captain has something he wants to do and, if that is so, I would suggest that we allow him to leave at this time. But, perhaps he would like to stay.

Mr. DRAPER: I would like to stay and if at the end of questioning on the Navy anyone else still has questions to put I would be pleased to answer them.

The CHAIRMAN: Have you a question, Mr. Lambert.

Mr. LAMBERT: Yes. This line of questioning was started this morning, I believe. My question relates to U.N.T.D. and it parallels the question I put in regard to the Suttie report and the number of U.N.T.D. trained officers who, after leaving universities, apply and are admitted into the naval reserve. What has been the experience of the naval reserve in this regard?

Mr. HENDY: Overall, I think it is probably in the vicinity of 70 per cent. It varies from division to division and from locality to locality. They probably will join in the larger centres with big universities, where the cadets stay in that community. My own experience was that a very large percentage of the University of Toronto cadets stayed in the active reserve at York. In respect of other divisions which have either a smaller university or maybe no university in their community, complaints have been made that they are not getting enough U.N.T.D. cadets, and this was because they were not living in the community. But, overall, the response has been excellent.

The U.N.T.D. graduate is a first-class young officer, well trained and well oriented and, at the present time, he is the backbone of the officer personnel of the reserve. Anything that is done to disturb that will seriously upset the efficiency of the reserve. It is a very good program and must be maintained for the good of the reserve.

Mr. LAMBERT: This leads me to the difficulties that might arise in a place like Edmonton where it was proposed to close the reserve ship, leaving the U.N.T.D. rather an orphan at the university with nothing on which to lean, shall we say. I have many colleagues and friends who are naval officers who are very much interested in either naval cadets or in the naval reserve and this has been, what they have expressed to me, one great worry that this will mean the deterioration of the quality of U.N.T.D. at a place such as Edmonton where the naval ship is being disbanded.

Mr. HENDY: I would think it would have some effect but I do not think I would be as pessimistic as you have expressed it because the U.N.T.D. program itself is very attractive to the young cadet. He is employed to use that term, in the summer, for a period of up to 16 weeks; he has an opportunity to go aboard ships and to take extended cruises while he works and is being trained. This is a very popular form of activity. I would say that the deterioration of the calibre of the U.N.T.D. cadet at the University of Alberta, Edmonton, campus, would not be very great. We have had these units on many campuses where there are no naval divisions nearby and where they attend weekly drills on the campus. This is true, particularly in the maritimes.

Mr. LAMBERT: This may be admitted but I am referring to immediately after their graduation.

Mr. HENDY: Then they are lost to the reserve. You come to the question of productivity, and then we ask ourselves if we are training them to leave the reserve and receive no dividends from these three years and the expensive training we have given them. But, this is in a different realm.

Mr. LAMBERT: Well, this is the point I am endeavouring to make.

Mr. HENDY: Well, I agree with you that it would not make sense if this is the implication you are suggesting. If this were the case it would not make sense to maintain U.N.T.D. at the University of Alberta in Edmonton if there was no naval division in Edmonton because the numbers who would then join the active reserve in another community would be very small; the numbers who had graduated from Edmonton might go to Calgary or Saskatoon where they could join the unit, but I do not think this would be very great.

The CHAIRMAN: Mr. Lambert, if I could interrupt, I understand Mr. Matheson has to rush off to a radio program. Would it be all right if he interrupted you at this point in order to put his questions and then we could come back to you?

Mr. LAMBERT: That will be fine after I have completed this one part of my questioning. Both Saskatoon and Calgary already have universities.

Mr. HENDY: Oh yes.

Mr. LAMBERT: Therefore, they have their outputs of U.N.T.D. people so the ships in these two cities already get a full complement. I think you would find that it would be superfluous to have many people coming from another university in view of the fact that they would not be able to be absorbed into that reserve ship.

Mr. HENDY: That would depend on the complement at the time. Sometimes you find that you are below complement and the odd one or two that come in can be absorbed. There was a recommendation made by us many years ago which suggested taking these lads and putting them on a sort of supplementary list in the division, as we did with the R.C.N. cadets before the war. They were over complement but in order to maintain our hold on them, if you like, we enlisted them in the R.C.N.V.R. and put them on a supplementary list until a complement vacancy arose. But, you do get to the position where you are producing a large number to hold a very few.

Mr. LAMBERT: I am through for the time being. Mr. Matheson may proceed.

Mr. MATHESON: I am reading from the submission of the ministerial committee on the organization of the R.C.N.R. submitted by Lieutenant G. T. Fulford, now Lieutenant Commander Fulford.

May I read two small extracts from the submission. The first one is as follows:

> The prime purpose of the R.C.N.R. should be to train and maintain a small group of officers and petty officers, capable of fulfilling assigned roles in time of emergency. The efforts expended in training and retaining ordinary or able seamen have been costly for the results obtained.

And, later on, Lieutenant Fulford says:

> The prime purpose, I believe, should be to train and maintain a small group of officers and petty officers capable of fulfilling assigned roles in time of peace or emergency. Because of a limited budget, a course of this nature should produce better value than one requiring the closing of one third of our divisions so that the remainder can continue as in the past. By closing seven divisions, the reserve will lose valuable officers and petty officers who cannot be readily replaced. As we all know, it takes years to train these people, but only a matter of days to produce an ordinary seaman capable of carrying out simple tasks.

Lieutenant Commander Fulford has taken the trouble to interview me on this matter and having me speak to other people in the same vein. Does his thesis make sense to you? I would like to hear your comments on this proposition.

Mr. HENDY: I think basically that is right. We are faced in an emergency with people who can do responsible jobs in the first instance and, therefore, this is officer and N.C.O. calibre. When he says: "a small group" this relates to the over-all figure. The figure of 1,000 might be small for some purposes and 5,000 small for something else. I am not sure what he is proposing in actual figures when he says "small". You have to have a certain number coming in at the bottom to work up to the top so you have to have all ranks available. But, it is the experience of the reserve that the number who stay in the rank

of ordinary seamen is not equivalent in proportion to the same number that you have of those ranks in the regular force because they come in for a year or so and then leave. But, the view is held that a small proportion will stay on and work up to become leading seamen and petty officers, and then your officers will be coming in from other sources, such as U.N.T.D. and other programs. I think the expression was used in respect of the reserve that there are more chiefs than Indians, but I think this is one of the purposes because the type of man you want in an emergency is that type of man.

Mr. MATHESON: In other words, an imbalanced militia reserve or R.C.N.V.R. perhaps is the wisest course and possibly it means more training per dollar.

Mr. HENDY: Well, you say what you want; you say: "we need X officers, X sergeants and X petty officers." To me, that is not an imbalance; that is specifying what you require, and you train to that because it does not take too long to take a man off the street when he enlists for active service and make him into a fairly useful hewer of wood and drawer of water in a short time, whereas it takes a longer time to produce all the qualities of a leader at the senior N.C.O. and officer level. In an emergency you want them.

Mr. MATHESON: Following that comment of yours I think elsewhere Lieutenant Fulford suggests that perhaps the R.C.N.V.R. is covering too broad a training program and sees some merit in taking these people at the higher level and pushing them into special trades and keeping them there. Does that make sense?

Mr. HENDY: I would not say the reserve program is trying to be too broad. I think at one time it was; we were faced with technical training tasks which were not practical for the reservists to achieve with the time at their disposal. The present training program, which has not been in force very long, is far more realistic in respect of the availability of the reservists.

Mr. MATHESON: Is it possible under the present program of the R.C.N.V.R. that we could take personnel at the petty officer or officer level and make them signals or gunnery officers?

Mr. HENDY: That is the way they are trained.

Mr. MATHESON: And would this be to the standards of the permanent force?

Mr. HENDY: I say that the young officer from U.N.T.D. can go into a destroyer escort tomorrow and act as second officer of the watch, and it would not be long before he would take a watch on his own. They are well trained young officers.

Mr. MATHESON: On page 8 of the report in respect of the R.C.N.V.R. there is a reference to forces in being and the availability of reserves. Do you think reserves are available and does the present legislation cover this? Have you any comments or suggestions to make on this subject?

Mr. HENDY: Basically, I think the reserves are available in the same way that Group Captain Draper has mentioned in respect of the auxiliary. The naval reserve probably is not in the same category as is the flying personnel although when we had air squadrons they were. I think most people join the reserve and expect to be available. Under the present legislation, the National Defence Act provides that a member of the reserve cannot be called without consent. This, I think, is a change from the situation with which we started originally in 1910 when the navy was established under the naval service act which created a force of naval volunteers which were available to be called out. There was nothing in that act which provided for consent. Frankly, I feel that this should be changed. We pay the naval reserve, and all the reserve forces, looking at it from the point of view of a retainer. We are giving something in order to get some service, and yet the legislation is such that we can be

frustrated if the fellow does not consent. This is tied in with the problem which was mentioned by Group Captain Draper.

Mr. MATHESON: You are pointing to a juridical defect in the legislation?

Mr. HENDY: Yes.

Mr. MATHESON: The proposed strength of the naval reserve is to be 2,400, plus or minus. The committee states, as I understand it, that this is inadequate. Why?

Mr. HENDY: The information we obtained, and which has been admitted since, was that the 2,400 figure was predicated more on budgetary requirements than on defence requirements. When we finished our reports and showed certain areas in which economies could be effected, the naval headquarters immediately, to their credit, implemented some of these recommendations and preserved two units and put the others in suspense until the report of the militia commission could be brought in. This goes back to Mr. Lambert's questions about sharing accommodation. We suggested positively, for the areas where our units were being closed down, that sharing of accommodation would effect economies. In order to maintain a reserve at the same dollar amount, but getting more people—and it was shown that more were necessary—and also by putting off the seven divisions, we lose 247 officers approximately, and about 400 men of the rank of leading seaman and above.

Mr. MATHESON: So the grievous loss here is, as Fulford would suggest, in the case of officers?

Mr. HENDY: Yes, because at the very least that represents a loss of three years' training. The junior officer is a product of three years' training of U.N.T.D.; the senior one is probably the product of 15 or 20 years' service. These people would have positions to fill in an emergency in the plan.

Take Fulford's thesis; it is better to have smaller units where you will not lose those people, units in which you have well trained people, than to cut them out and try to build up strength in other divisions, where you might not do it effectively or the type of increase would be in the untrained people. It will take that much more time to pick up your loss.

Mr. MATHESON: I have one final question. It flows from the comments you make about the juridical defect, as you see it, in the militia requirement to serve, subject to call out in the event of emergency. From your experience, would it be your judgment that the person who is a petty officer or a commissioned officer and who receives that type of training would be more amenable to signing up subject to no limitations at all than the able bodied seaman? Or is there any difference?

Mr. HENDY: I think he would look at it harder because he would be agreeing to sacrifice a little more. He may be a man with a better job, a man with a family, whereas a younger chap may be just out of high school and it would not bother him so much if he were called out. However, the problem is really more apparent than real. If they are asked to do a job, they do come up—they have demonstrated this time and again—but there is no power behind it.

Mr. MATHESON: If the legislation was changed, would it seriously affect the calibre, quality and numbers of people prepared to come forward, in your judgment?

Mr. HENDY: I do not think so, because I think they expect to be called. In this country we are always giving. If we are going to put these men on the basis that they are part of the forces and are paid, we should demand something in return. We have to do something for the country.

Mr. LAMBERT: I have a supplementary question to ask in this area, Mr. Chairman.

Mr. CHAIRMAN: Mr. Lambert.

Mr. LAMBERT: This applies to both these gentlemen, the one representing the navy and the one representing the air force. If this legislative change were made providing for call out beyond a certain period, coupled with a job security feature—because this would be the only thing that would work—do you think public opinion here in Canada would be amenable from the employer point of view?

Mr. HENDY: I cannot answer that, Mr. Lambert. I certainly know there are some who would and some who would not be amenable.

Mr. LAMBERT: It would be my feeling that in those highly industrialized areas in which there is a technically trained work force in large numbers, employers might take the position that a man cannot join the reserve forces because the work force would be apt to be disrupted, and then they have to take on men. There are no two ways about it, the job security is there. I think this exists even now. Certainly some companies do not like their people in the reserves because there is the annual training to be considered and they have to ask for additional leave. This has been debated frequently.

Mr. HENDY: I do not think the change in legislation would make that much difference; it would not have an impact. I think a lot of people are probably surprised that they are not callable now, and that is why I say some companies do not like their people in the reserve forces because they feel that, given a choice, the fellow will probably go out if required.

Mr. LAMBERT: Mind you, I do not disagree with your thesis when I put this question, but I think it is a matter of public opinion in this country not being conditioned to this.

Mr. HENDY: We have really walked backwards.

Mr. LAMBERT: It went so far back that no one remembers it. You may recall that even in wartime there was some difficulty about the job security.

Mr. HENDY: Yes.

Mr. MACLEAN: This morning I asked the Commodore about the strength of the R.C.N.V.R. before world war II and today. To round out the picture, I would like to ask the same question with regard to the naval reserve.

Mr. HENDY: Before 1939 there was a very considerable naval reserve—

Mr. MACLEAN: Made up of merchant marine officers?

Mr. HENDY: —which consisted largely of people in the merchant service. There were 500 in the old R.C.N.R. in 1939.

Mr. MACLEAN: Am I right in assuming that this does not exist now? Or does it?

Mr. HENDY: There is only one reserve now and those people can be members of the present reserve. Arrangements are made for them to attend summer training if they cannot attend weekly drills because of their jobs taking them to sea. However, we have very little merchant marine now in any event from which to draw these people.

Mr. MACLEAN: The point I am making is that the present reserve is fulfilling the function of the R.C.N.V.R. and the naval reserve.

Mr. HENDY: That is right; that is why the two were put together.

Mr. MACLEAN: When you contrast the present naval reserve with the situation as it was then, you have to take both of the pre-war organizations into consideration.

Mr. HENDY: Then the figure of reservists would have been about 2,000 in 1939 from both components of the reserve.

The CHAIRMAN: Are there any further questions to put to Commodore Hendy?

Mr. LAMBERT: Yes, I would like to ask a question.

There is a recommendation that perhaps recruiting offices should be integrated or amalgamated. I notice this is dealt with in Nonsuch in Edmonton. It is suggested that they could perhaps utilize some of the facilities there for their recruiting services in Edmonton. Subject to any legal requirements of leases on premises presently owned by the crown, I think this would be a good idea. I would go further and I would like to ask your opinion about the validity of the separate recruiting services. We have in many of our cities today the three services represented by recruiting officers all in the same building but each man having a separate office. One will find an air force officer, an army officer and a naval officer each with his complement of N.C.O.'s and stenographic service. What about having one man with his N.C.O. and stenographic service, under present day conditions, doing the recruiting for all three services?

Mr. HENDY: We may come to that anyway. It may come to that anyway in this integration of the services, but at the present time there are different requirements and conditions of service. While I do not say it is beyond the capability of one person to acquire knowledge of them all in order to adequately recruit or counsel a man on which service he should go into, it just has not been done under our present division of the three services.

In the larger centres I think there is enough to justify three people because there is enough work for three, but in the smaller areas there is not, and maybe a recruiting counsellor able to advise on all three services and on opportunities would be a good idea. As we said in our report, recruiting was not, strictly speaking, one of the things we were supposed to look into, but people kept talking to us about this, and the problem, as you mention, is space, facilities, and efficient use of manpower and accommodation. This came up in relation to what we could use. Some of the naval reserve units, for instance, felt the loss of the navy recruiting personnel because they had time that could be used in assisting the reserve unit to be administered. When this man was physically removed from the premises, he was not available so presumably he still had the spare time which was not being used.

The CHAIRMAN: Are there any further questions of Commodore Hendy? Does anyone have any questions referring back to the air force?

Before the committee adjourns may I, on behalf of the committee, thank Group Captain Draper and Commodore Hendy for coming and for submitting to our questions.

The committee stands adjourned until Tuesday at 11 a.m. The witness then will be the Associate Minister of National Defence and the subject will be the Reserve Forces.

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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

TUESDAY, AUGUST 18, 1964

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RESERVE FORCES

WITNESSES:

The Honourable Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21310—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Matheson,
Béchard,	Laniel,	McMillan,
Brewin,	Lessard (*Lac-Saint-Jean*),	McNulty,
Deachman,	Lloyd,	Pilon,
Fane,	MacInnis,	Smith,
Groos,	MacLean,	Temple,
Harkness,	MacRae,	Winch—(24).
	Martineau,	

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, August 18, 1964

(26)

The Special Committee on Defence met at 11.20 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre Dame de Grâce*), Béchard, Deachman, Fane, Groos, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacInnis, MacLean, MacRae, Martineau, Matheson, Pilon, Smith, Temple, Winch—(20).

In attendance: Hon. Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

The Committee continued its consideration of the "Reserve Forces".

On motion of Mr. Groos, seconded by Mr. Smith,

Resolved,—That the *Suttie, Hendy* and *Draper* reports, respecting the Reserve Forces be printed as appendices to the Committee's evidence (See *Appendices "A", "B"* and *"C"* to this day's Proceedings).

Mr. Cardin supplied answers to a number of questions asked at previous meetings. He tabled a document entitled *"Summary of Militia Effective Strengths by Areas/Militia Groups as of May 31, 1964."*

Agreed,—That the above-mentioned document be printed as *Appendix "D"* to today's Proceedings.

The Associate Minister of National Defence then made a statement to clarify certain points respecting the role and functions of the Reserve Forces and he was questioned thereon.

At 12.55 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

21310—1½

EVIDENCE

TUESDAY, August 18, 1964.

The CHAIRMAN: Gentlemen, we now have a quorum. May we come to order please.

Before we start with the proceedings of the day, may I say that this will probably be the last meeting respecting the Reserve Forces. We have received the Hendy, Suttie and Draper reports dealing with this subject, and these reports have been circulated to Members of Parliament. However, they have not been included in the Evidence of this committee and I think, in order to make sense to outsiders who may be reading the transcript, these reports should be printed as appendices to our proceedings. I would therefore ask for a motion that the Suttie, Hendy and Draper reports be printed as appendices to today's proceedings.

Mr. SMITH: Why today's proceedings, Mr. Chairman? Why should they not be attached to the proceedings of the days to which they are related?

The CHAIRMAN: The proceedings of the previous days' hearings have been printed already. However, if they are attached to today's proceedings they will appear at the end of our deliberations on the reserve forces.

There is a summary which will be presented today by the Associate Minister of Defence which I suggest should be attached to today's proceedings. This summary gives the strengths and so on of various militia units across the country.

Mr. GROOS: I so move, Mr. Chairman.

Mr. SMITH: I second the motion, Mr. Chairman.

Motion agreed to.

The CHAIRMAN: Our witness this morning is the Associate Minister of National Defence who will start with an opening statement; and we will then proceed with questioning.

Mr. LUCIEN CARDIN (*Associate Minister of National Defence*): Before I start with the statement I have for you this morning I would like to answer a few questions that were asked when I was here last time.

I was asked to give the committee the number of officers, N.C.O.s and privates who are in the militia at the present time, and also the rate of turnover for each of these categories. The answer to that is as follows: In the Canadian army militia, from the period July 1, 1963, to June 30, 1964, the average strength was 6,616 officers, 44,568 other ranks, a total of 51,184. The maximum strength was 6,705 in August, 1963; other ranks, 48,624 as of July, 1963. The minimum strength was 6,550 officers as of June, 1964; other ranks, 40,023 as of May, 1964. The strength on June 30, 1964, was 6,550 officers; 40,213 other ranks, a total strength of 46,763. Enrolments: officers, 1,472; other ranks, 21,814, a total of 23,286. Releases: 1,612 officers; other ranks, 27,532, a total of 29,144. The percentage of annual turnover among the officers was 23.3 per cent and, other ranks, 55.3 per cent, making a total of 51.2 per cent.

As the Chairman has stated, in answer to a question that was asked I would like to present a table giving the summary of militia effective strengths by areas as of May 31, 1964. This being very voluminous, I think the best thing I can do is to table this summary and have it printed in the proceedings.

Mr. Chairman, on July 21, 1964, a question was asked with respect to the proportion of the non-permanent active militia who served on active service in 1939. The records are incomplete, but it has been determined from historical documents that the number enrolled in the non-permanent active militia was 51,418 all ranks, of which 46,521 were reported as trained in the fiscal year 1938-39. Almost half, or 24,089 all ranks who joined the active service force in 1939 were serving or had served in the non-permanent active militia. The historical records also indicate that enrolment into the active service force probably would have been greater but for the medical standards and age limits resulting in rejection of many old soldiers who had seen service in 1914-18 and the rejection of those who had more than four dependants.

There was a final question that was asked concerning the guarding of key points in the event of a serious emergency. As was mentioned at that time, it would not be in the public interest to list in detail the various installations designated as key points, but a general comment is in order to explain this particular role being assigned to the militia. As members of the committee know, it has been decided that some 2,500 militiamen would be required to provide trained officers and men for the guarding of key points, internment camps and like duties. Of this number approximately 1,700 are required for the guarding of key points. This, of course, is not the total manpower requirement for such duties. There are in fact two criteria in the selection of installations considered to require protection. First of all, there are military establishments designated as key points by army authorities. These would be guarded generally by regular army personnel, augmented in certain instances by members of the militia. In numbers the requirement would be approximately 1,400 militiamen.

Secondly, vital points other than military are designated by E.M.O. with the R.C.M.P. being primarily responsible for their protection. E.M.O. has asked the army to assist the R.C.M.P. at certain specific sites not under service control and this has been agreed to. A total of 300 militiamen within the 2,500 figure have been allotted to meet this requirement.

In sum, therefore, approximately 800 militiamen would be required for internment camps and similar duties, 1,400 to assist the regular army in the guarding of military installations and some 300 to meet specific E.M.O. requests in support of the R.C.M.P.

Mr. LAMBERT: On a point of information, I wonder if the table concerning strengths which the minister has asked to have incorporated in the record, refers to the question I asked on page 389, at which point I asked for a breakdown showing the militiamen by name and number, corps or base, and actual participation in higher formations.

Mr. CARDIN: I am not sure that the table I am giving would give that information. However, Mr. Chairman, I would like if possible to go ahead with the statement and then to hear questions afterwards.

Following the announcement of the Minister of National Defence last December of the reduction of the reserve forces of all three services from the level existing at that time, as the members of the committee know, one commission and two committees were established to present the views of the militia and the naval and air force reserves and to make recommendations relating to the organization and operation of those reserves. In a letter dated January 17, 1964, addressed to Lieutenant-Colonel LeSueur Brodie, E.D., Chairman of the Conference of Defence Associations, I set out the general terms of reference of the two committees in the following words:

> The Committees have been requested to put before the Associate Minister of National Defence their views concerning the future role and composition of the R.C.N.R. and R.C.A.F. auxiliary. They have also

been requested to propose alternatives to the presently planned reduction if in their views such alternatives are preferable, but they should bear in mind that the equivalent savings of the direct and indirect costs of the R.C.N.R. and R.C.A.F. auxiliary must be achieved.

You have had before you the terms of reference of the commission to enquire into the organization and operation of the militia which were included in part I of the report as appendix "A" Part I of the report of the commission, headed by Brigadier E. R. Suttie, has been made available to you together with copies of the report of the ministerial committee on the role and organization of the Royal Canadian Naval Reserve, headed by Commodore Robert I. Hendy, and the Report of the ministerial committee on the Royal Canadian Air Force (Auxiliary) headed by Group Captain J. W. P. Draper. The chairman of the commission and of the two committees have also appeared before you and given testimony in support of their submissions.

It should be clearly understood that the commission and two committees were not set up to establish reserve policy. Their function was to study the broad policy established by the government and make recommendations—from their viewpoint—on the manner in which that policy could be carried out. It is and must be the responsibility of the government to weigh these recommendations against all other factors.

As you know, national defence headquarters is now being reorganized as an integrated headquarters, and on August 1, the Chief of Defence Staff was given responsibility for the administration of the three services: the Royal Canadian Navy, the Canadian army and the Royal Canadian Air Force. I directed that the three reports be considered by the new defence staff on an integrated basis before decisions are taken in respect to the individual recommendations put forward. This consideration will be given as expeditiously as possible, and I estimate that it will be completed by late September or early October.

The defence staff, in its review, will, of course, be asked to determine the compatibility of the reduction in over-all strength to 30,000 with the recommendations of the Suttie commission, and the extent to which the committee recommendations dealing with the Royal Canadian Naval Reserve and R.C.A.F. auxiliary are compatible with the requirement set out in my letter of January 17:

> Alternatives to the presently planned reduction (must achieve) the equivalent savings of the direct and indirect costs of the R.C.N.(R.) and R.C.A.F. (Auxiliary).

There has been some misunderstanding before the committee between the terms strength and establishment, and about the intended strength of the militia. Let me make this clear: it is our expectation that the strength of the militia will be of the order of 30,000 all ranks. Now, based on experience, we fully realize that to obtain that strength it will be necessary to list an establishment of something in the order of 25-30 per cent higher than that strength.

It is recognized that, at any given time, not all of the strength will be fully trained or wholly effective. But it is our expectation that with stricter age limits, an improvement in physical standards, the provision of useful and interesting roles, and the furnishing of satisfactory training equipment to carry out those roles, the militia of the future will be greatly increased in true effectiveness. The difference between effective strength and total strength should be narrowed considerably. It is our aim to achieve as high a degree of effectiveness within the total strength of the militia as possible. This we believe will have significant benefits for the militia and in return on the dollars spent on the militia.

To supplement this potential we have, at all times, large numbers of ex-regular force personnel who provide a pool of trained men, many of whom would be available in an emergency. Prior to world war I and world war II no such body of trained officers and men existed.

In the terms of reference, the composition of the force has been broken down on the basis of the several roles for which reserve forces are required. It should be recognized, however, that some flexibility has deliberately been built into the requirements as set out. The over-all appropriation for the militia has been determined on the basis of a judgment in which many factors have been taken into account. These include the scale of probabilities in respect to various kinds of possible conflict, as set out in the white paper. As already indicated, the importance of mobilization potential has been lessened in proportion to the increased emphasis placed on the concept of operational forces-in-being. Related to this is the fact that with the substantial forces-in-being, the potential for mobilizing and training new recruits using the facilities of the permanent forces substantial compared with the pre-world war I and pre-world war II situations. The extent to which reserve forces must be relied on for mobilization purposes is correspondingly lower, and it is felt that the potential from an over-all strength of approximately 30,000 is the most that can be justified in the scale of priorities.

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One of the key factors in our expectation of improved effectiveness from the militia is our previously stated intention regarding corps training. We recognize that the decision taken in 1959 to restrict corps training in favour of an exclusive civil survival role had a detrimental effect on the morale of militia units. They felt, with considerable justification, that they were quite capable of undertaking both types of training.

In addition, there has been some change in the strategic situation during this period. As a result a condition of nuclear stalemate has developed between east and west, and the possibility of mobilization, though still remote, has gained credence. Considering all these factors, we have concluded that increased emphasis on corps training is justified, and will contribute substantially toward the creation of a more effective, enthusiastic militia. This decision does not, of course, eliminate civil survival training. All militia units, as well as regular force units, are trained in civil survival methods, and the militia will continue to be trained in this field.

In summary, there has been no change in reserve policy as outlined previously in the white paper and through ministerial announcements; the recommendations of the commission and two committees are being studied on an integrated basis by the new defence staff and announcements on the

specific method of implementing approved policy may be expected in late September or early October. The militia strength will be approximately 30,000; it will be improved in effectiveness through stricter age and physical requirements, and more useful and challenging roles. It will receive increased corps training but also training in the civil defence field. Although over-all financial outlay in reserves will be substantially less, it is our determination that their effectiveness in relation to cost will be substantially greater.

I would once again like to thank Brigadier Suttie, Commodore Hendy and Group Captain Draper, as well as all those excellent officers who served with them, for the thoughtful submissions they have made. I can assure them and honourable members of the committee that all the recommendations are being carefully studied and that the information supplied is helpful in assisting us in the discharge of our responsibilities.

The CHAIRMAN: Thank you, Mr. Cardin.

Before we proceed, we have about one hour and 20 minutes left for questioning and I think probably we should be able to complete our work at this sitting.

I would not like the committee members to restrict themselves in their questioning but to be as brief as they possibly can when putting questions.

Would you proceed, Mr. Deachman.

Mr. LAMBERT: Has the minister by any chance a number of copies of his statement?

Mr. CARDIN: Yes, I think there are some available.

The CHAIRMAN: Are there sufficient copies to distribute?

Mr. LAMBERT: Why were they not distributed before?

The CHAIRMAN: Mr. Deachman, perhaps you would like to proceed while copies of the statement are being distributed.

Mr. DEACHMAN: Yes, I will proceed.

Mr. Cardin, relating the two statements which you made this morning I think I am correct when I say that you gave the present militia strength in the order of something in excess of 50,000. Is that correct? That was in your first statement.

Mr. CARDIN: Yes, I think so.

Mr. DEACHMAN: It was something in excess of 50,000.

Mr. LESSARD (*Lac-Saint-Jean*): It was 51,184.

Mr. DEACHMAN: Then you felt the combined turnover rate for officers and men is running in excess of 50 per cent?

Mr. CARDIN: Yes.

Mr. DEACHMAN: So, you are turning over the force every couple of years on an average and this would mean, if no further recruiting was done, the force then would drop to a level of well below 30,000 in the course of a single year. Is that not correct?

Mr. CARDIN: Yes.

Mr. DEACHMAN: Now, looking at the figures that you have given us, I am wondering whether in settling upon a strength of 30,000 on a paper establishment in the order of 35,000 to 40,000 if you intend to achieve this by letting people out of the militia forces or do you intend to achieve it in the course of normal attrition of the forces while recruiting at a limited pace until it has adjusted itself?

Mr. CARDIN: This is a part of the study that is now being undertaken and on which decisions will be taken toward the end of September or the beginning of October. This is what we are looking into at the present time. We are trying to determine how we are going to diminish the force to the 30,000 strength.

Mr. DEACHMAN: Will you continue recruiting in the meantime or do you anticipate that recruiting virtually will cease while these decisions are being made?

Mr. CARDIN: I understand that recruiting may have slackened off a little. I think that recruiting applications may be taken in but I am not sure they will be put on strength before the decision is taken.

Mr. DEACHMAN: Has any step been taken yet to advise older members of the force that they may be expected to drop out because of the improved physical requirements?

Mr. CARDIN: No, they have not been specifically advised of this, except what they might have read in the newspapers; however, as I stated before at a previous meeting, any decision that will be taken will be made known to the members of the militia prior to making these announcements public.

Mr. DEACHMAN: And when do you expect this will take place?

Mr. CARDIN: The end of September or the beginning of October.

Mr. DEACHMAN: So, by the end of September or the beginning of October these militia people now in service and in uniform will know where they stand relative to this new force of 30,000?

Mr. CARDIN: Yes.

The CHAIRMAN: Does that complete your questioning, Mr. Deachman?

Mr. DEACHMAN: Yes.

The CHAIRMAN: Will you proceed, Mr. Smith.

Mr. SMITH: I think your statement, Mr. Cardin, says that by better recruiting procedures and a more interesting program you expect to be able to keep the effective strength closer to the maximum and reduce the turnover. Has there been any estimate made in respect of how much you can reduce the present turnover of 55 per cent a year by this improved program?

Mr. CARDIN: I do not think the actual figures have been worked out. I think it would be very difficult to do that. However, it is felt that a good percentage of the 55 per cent turnover relates to young student militia people who are more likely to change towns.

Mr. SMITH: Now, I do not think that a 55 per cent turnover is necessarily a bad thing because you do keep operationally trained and disciplined people in your community. However, does the defence department honestly hope they can get so good they will have to have only 30,000 enlisted men to provide 30,000 effectives.

Mr. CARDIN: I think the department feels the program will be good enough to interest people to stay on, as a result of which they will be closer to their effective strength than previously.

There is a possibility that the effective strength will be lower than the total strength but there are methods whereby this can be filled in case of emergency. For instance, there is a goodly number of well qualified ex-armed forces personnel who could be called upon in time of emergency, which did not exist either in 1938 or 1939.

Mr. SMITH: Then, it is not proposed to enlist the militia up to establishment?

Mr. CARDIN: No. The total strength will be 30,000.

Mr. SMITH: Which will be 25 per cent or 30 per cent less than its established strength?

Mr. CARDIN: Yes, that is correct.

Mr. SMITH: Then, how is it planned, assuming that emergencies did arise, when the 30,000 people all will have been designated for certain duties, to give continuity to the militia during an emergency.

Mr. CARDIN: Well, of course, it depends on the circumstances. If we were faced with an emergency, which was of a conventional type, there is a possibility that by mobilization and things like that we could meet these requirements, but under the circumstances and what is normally foreseeable it is felt it would be conceivable to have a militia where the total would be 30,000 and the effective strength would be a little less. But, there is some flexibility in the fact we do have well qualified ex-regular officers and men.

Mr. SMITH: Is a record kept of location and is there any continuity between forces and ex-officers now? Do you actually know where they all are and what they are doing?

Mr. CARDIN: I really do not know what is now being done but I presume it would be.

Mr. SMITH: And, if it is not being done now is there any plan to keep such a record? If we are going to count on them should they not be transferred at the end of their active service to some sort of—

Mr. LAMBERT: Supplementary reserve.

Mr. SMITH: —supplementary reserve, as Mr. Lambert stated. However, I was thinking of something a little more detailed than a supplementary reserve. I remember that all of us for many years after the war filled out the cards. Has there been any thought given to that?

Mr. CARDIN: Well, I will be happy to take that under consideration. So far, I do not think there is anything more than a supplementary reserve list.

The CHAIRMAN: Would you proceed now, Mr. Lambert.

Mr. LAMBERT: Turning back to this 30,000 effective strength, may I say that I think someone is looking at this with rosy tinted glasses because in the terms of reference to the Suttie commission the operational goals for the militia were outlined, and the defence program of Canada was looking to the reserve force militia for 30,000 men, which would be 30,000 men, and available.

Now, we saw in the Suttie commission report, and from the examination of the witnesses—even the minister himself indicated it—that to reach an effectiveness of 30,000 one would have to have more than that. The minister has indicated that there would be an establishment for more than that, but unless an establishment is filled it is meaningless.

This morning I want to get it quite clear in my own mind that the over-all strength of actual men will not exceed 30,000.

Mr. CARDIN: That is correct.

Mr. LAMBERT: As compared to the 50,000 that existed heretofore.

Mr. CARDIN: Mr. Chairman, it is possible that during the previous meeting which I attended I might have caused some confusion in the minds of the members of the committee regarding the establishment as compared to the total strength. I wish to apologize if this was so. I want to say here and now that the total strength would not exceed 30,000.

Mr. LAMBERT: We have got that clear now I hope because, after all, establishments are merely on paper and are meaningless unless they are actually filled out.

Does the minister feel that from here on in there is going to be the dawn of a new era in militia which is going to change the attitudes of men serving in the militia, their availability, their job transference, the high reliance on young soldiers to fill out the militia, and that you are going to be able to provide 30,000 people as sought for or claimed in your instructions to the Suttie commission out of 30,000?

Mr. CARDIN: Yes, Mr. Chairman, it is our hope that with the new role, the new look, that is being given to the militia, with a reduced age limit, with

increased physical requirements, that it will be possible to come close to 30,000 total strength. If there is a small margin, it can be filled in by ex-regular armed forces personnel.

Mr. LAMBERT: What hold have you got on these ex-regulars?

Mr. CARDIN: I am quite sure that if there were an emergency—and this is what we are talking about—they would be the first ones to come forth.

Mr. LAMBERT: In other words, you think they would respond to a waving of the flag?

Mr. CARDIN: They would respond to a call on their sense of responsibility. I believe that.

Mr. LAMBERT: I may say that I think the minister, to put it mildly, is just a little bit optimistic. I would go so far as to say that this has certain elements of a pipe dream because I do not think that a strength of 30,000 men is going to realize the objectives. I am not that optimistic. That is part of the policy and it may be right, but I think that to try to achieve the program in this way is to be completely unrealistic in so far as the effective strength is concerned.

Mr. CARDIN: I think the department is going to do everything it can to reduce the gap between the total strength and the effective strength of the militia, and I think it is possible.

Mr. LAMBERT: I will leave that alone for now because there is a difference of opinion here, and I think that events will prove who is right.

My next point is this, the minister has indicated it will be late September or early October before the whole reorganization can be considered. Will this also include the withholding of the issuance of training programs until that time, because it is my information that the militia have not yet received their training programs for the next year and that this is causing consternation among the militia?

Mr. CARDIN: For the next year? Yes, I am afraid so. The decisions will have to await until the end of September.

Mr. LAMBERT: I suppose this is done with the full realization of what is going to happen within the next few months as far as the militia is concerned?

Mr. CARDIN: Of course we are not extremely happy about it but we feel that the logical thing to do is to come up with a decision on what the over-all picture of the militia reserves will be in general. The time for that decision will be in September or October.

Mr. LAMBERT: I suppose you realize you are not going to have any militia at all, if I sense their reactions. I would urge the minister to move much more rapidly than is indicated because my understanding of the reaction within the militia is that while they would like to get on with it they do not know what units are going to remain, they do not know what strength they would go to, and they have not any training programs.

Mr. CARDIN: Mr. Chairman, I think Mr. Lambert realizes that although we are trying to deal with this as expeditiously as possible the problem that is involved is a very large one, particularly since we are trying now to come up, in September or the beginning of October, with a complete package decision concerning the reserves, and we feel that it is a logical way of treating the subject, rather than doing things now which will have to be done in October. We feel that time should be taken to study this thing thoroughly and completely and then come up with a decision by September or October regarding the whole of the reserves including the militia and the two auxiliaries, the navy and the air force.

Mr. LAMBERT: You would have done better I think to concentrate on the reorganization at the top, and not bite off too much. I am afraid this is what you have done; that there are very grave problems in the unification of command, and so forth, at the top. In addition to this, you have gone into a complete reorganization of the militia, and the same people are having to make decisions on that. They have not the time and the knowledge to do it.

Mr. CARDIN: I think the people on the defence staff are capable of handling the two questions quite adequately. As a matter of fact, it would seem to me that there is a relationship between the integrated force and the reserves and what we expect of the reserves.

Mr. LAMBERT: Quite right, but, Mr. Chairman, I think the minister will also agree that perhaps it would be better to move one step at a time instead of trying to solve the whole problem all at once, because certainly there are areas here in which they are feeling their way.

Mr. CARDIN: I agree there are areas where we are feeling our way, but in the over-all picture of the reserves we still feel it would be better to spend a little more time in analysing the problem as a whole and then to come up with a decision on the whole of the reserves. This can not be done before September or the middle of October.

Mr. WINCH: What about the battalion training officers now? I can imagine what they feel because I was a battalion training officer for three years.

Mr. CARDIN: I do not deny there is grave anxiety and concern on the part of the members of the militia, particularly the battalion trainers, and it is not pleasant for us to do this, but I still believe this is the logical approach to the whole problem even though it may create some anxiety in the minds of the commanding officers.

Mr. HARKNESS: In the terms of reference for the commission and the committees I take it, from what you have said, that the financial limit was the overriding consideration which this commission and the committees had to bear in mind. Was that the case?

Mr. CARDIN: That was one consideration.

Mr. HARKNESS: It was the overriding consideration, as I understand it from the wording of the terms of reference that we were given.

> But they should bear in mind that the equivalent savings of the direct and indirect costs of the R.C.N.R. and R.C.A.F. auxiliary must be achieved.

Mr. CARDIN: In that sense yes, they were given a figure. Certain decisions had been taken by the department, and the committees had other suggestions to make. The condition was that they should stay within the limit that had been placed.

Mr. HARKNESS: It would seem to me that this is not the best way to approach the most efficient and effective organization of the militia forces of this country.

Mr. CARDIN: I think that overyone realizes that even in the reorganization of national defence the question of cutting costs was an important factor. However, I think it is possible to cut costs and to try to get the best available defence for the dollar spent. The same principle applies to the reserves, and although it is quite evident that if we had twice as much money to spend we could perhaps get twice the effectiveness, we do not have that, and we still feel that within the limited amount of money that we have we are aiming to achieve the best possible service from the militia and the reserve forces.

Mr. HARKNESS: I will still maintain what criticism I made here several times before, that not only as far as the regular forces are concerned but also in particular as far as the reserves are concerned, the whole thing is viewed

on the basis of a certain financial consideration rather than on the basis of what is going to give you an effective defence force. I think this is the wrong way to proceed.

Mr. CARDIN: I think it would be unrealistic not to think in terms of cost in this or in any other matters.

Mr. HARKNESS: Certainly you can think in terms of cost, but to arbitrarily set down certain financial limits and say, "There you are", I do not think is going to produce a good result.

Mr. CARDIN: Here is what we did, we said: "This is the amount of money you are allowed, try to come up with the best possible effective organization within that amount of money." I do not think that that is unreasonable.

Mr. MATHESON: Could I ask a supplementary question on that, following Colonel Harkness' question. Is that not precisely the way we have always determined defence expenditures in Canada, certainly since world war II, that is on a large scale, splitting between the services, the navy, the army and the air force, but more particularly even in a breakdown?

Mr. HARKNESS: I would say that this is not the way the thing has been done. The basic premise that has been worked from, starting particularly at the time of the Korean war, was what defence forces were required to meet the needs.

Mr. CARDIN: I think also there is a difference between what happens in a period of war and what happens in peacetime, but I am inclined to agree with Mr. Matheson that so long as I have been in the department at least it seems to me that there was a limited amount of money available for defence, and this was broken down into the three services. Each service had a certain amount of money in which to turn out what they felt was the best possible organization in their particular service.

Mr. HARKNESS: There is a difference of opinion here.

I will go on to the matter of strength. Is this strength of 30,000 the strength of officers and N.C.O.'s the war establishment strength or a reduced basis from that?

Mr. CARDIN: What do you mean "war establishment strength"?

Mr. HARKNESS: There is a war establishment strength of officers, N.C.O.'s and men for an infantry battalion, let us say. Up to date, as far as the militia is concerned, the number of officers and N.C.O.'s was worked out on the basis of war establishment, and the strength of officers particularly, and of N.C.O.'s to a large extent, in good units, was up to that strength. In this limit of 30,000 that you put on, what is the situation here as far as the strength of officers and N.C.O.'s is concerned?

Mr. CARDIN: I think Colonel McPherson is here and perhaps could answer that question.

I wonder, Mr. Harkness, whether you could repeat your question?

Mr. HARKNESS: My question is whether as far as the units making up the militia are concerned within the over-all figure of 30,000 strength which is allowed, the number of officers and N.C.O.'s in the units making up the militia can be recruited up to the full war establishment strength, or whether their numbers are going to be cut down by 10, 20 or 30 per cent, whatever it may be.

Colonel C. P. MCPHERSON (*Director of Militia and Cadets*): The answer to this question would bear perhaps on the second part of the Suttie commission report. But our experience has shown that most militia units do not come close to their established strength. It is therefore likely that we shall be taking a realistic view of what should be the strength of each militia unit. What this figure is likely to be of course remains for further study. But for example I think it is well known that with a battalion of an established

strength of about 850, it cannot recruit up to that establishment figure as you will see from the figures given you.

Mr. HARKNESS: Yes, but in the past, as I have said before, all the good units have had their full strength of officers and senior N.C.O.s. It is proposed that this will continue to be the situation? In other words, can each unit really have what is the laid down war establishment in officers and N.C.O.s actually on strength?

Mr. MCPHERSON: If the total strength of the unit is to be restricted, then there is some likelihood that the number of officers and non-commissioned officers might be restricted. I am thinking of the well known saying that you do not want to have too many chiefs and not enough Indians. Perhaps these two figures would be brought a little more realistically together.

Mr. HARKNESS: Well, if that is to be the situation, I suggest we are not going to have effective units, and that it will be impossible to have effective units. The real effectiveness of any militia unit in my experience of something like 40 years now of having something to do with them—the effectiveness really lies in your cadre of officers and senior N.C.O.s; and if you fail to fill the gap—the cadre of officers and senior N.C.O.s of your unit—your unit will not be an effective unit and that it will be impossible to bring it up to strength in an emergency, and to have it operate at anything like effectiveness.

Mr. CARDIN: I think I should say, as has been said earlier, that the final decision on this matter will be taken towards the end of September or the beginning of October, when I shall see to it that consideration is given to the point you have raised.

Mr. HARKNESS: If there is such a projection that you will not have your full strength of officers and senior N.C.O.s, I would hope that the idea would be given up. Let us consider the time prior to the second world war when you had a comparable situation in a battalion of militia which I happened to be in, we had a strength of seven officers. I think the strength of the number of senior N.C.O.s was about the same. You were allowed to take to camp only 30 men because of the very small amount of money available for militia training. But you were allowed to take to camp your full slate of officers and senior N.C.O.s.

Under these circumstances we were able to train sufficiently, efficiently and effectively, so that when mobilization came in 1939 everybody agrees that the militia was able to produce a force in a short space of time. But if we had not had these officers and N.C.O.s, it would have been absolutely impossible to do it. In other words, if they had not been there actually earlier, there would have been considerable trouble in getting the unit up to full strength and to be on the job.

You speak of various guarding jobs and so on. But if you did not have a situation something along that line, it would be absolutely impossible to get the number of men you required and to do any of these jobs in a reasonably efficient way.

Mr. CARDIN: Let me assure you, Colonel Harkness, that consideration will be given to your views in this matter. May I answer Mr. Lambert's concern about the effect this will have upon training. Let me say that messages were sent out to each command by wire several weeks ago giving them instruction on training, and these will be followed by more detailed instructions concerning training between now and May 1, 1965.

Mr. LAMBERT: In other words, there will be an interim program?

Mr. CARDIN: Yes.

Mr. HARKNESS: As far as this strength of 30,000 is concerned, on the basis of the answer that you gave today in reply to a question which was asked some time ago—I believe I asked it myself—as to what proportion of the members of the militia did actually go into service when mobilization came in 1939, the proportion was something under 50 per cent.

Mr. CARDIN: About one half.

Mr. HARKNESS: On the basis of that experience it would seem probable that if an emergency developed in the future, and you required 30,000 men, under those circumstances you would actually get only something in the neighbourhood of 15,000.

Mr. CARDIN: No, I do not agree with you, because one of the reasons that only 50 per cent of the militia were taken on active service was the fact that a good many of them were either too old, or not medically fit. Again it was the question of their being not accepted, as people with four dependants.

Mr. HARKNESS: On what basis do you make that statement?

Mr. CARDIN: What is that?

Mr. HARKNESS: I repeat: On what basis do you make that statement? Because, in my own personal experience as far as the militia in Calgary were concerned, the number of people of that kind was very, very small indeed.

Mr. MATHESON: It was not that way in Quebec.

Mr. HARKNESS: In my own artillery brigade we only had one officer in that category who was too old or was physically unfit.

Mr. CARDIN: Perhaps you had an exceptional brigade.

Mr. HARKNESS: No. The same thing applied in other units, the engineers the signallers, and the Calgary Highlanders. The situation was good at that time. This situation that you mentioned just did not exist there. Where did you get those figures?

Mr. CARDIN: These figures were taken from the documents at that time. This is the result of the investigation.

Mr. HARKNESS: I would question this statement very much. It is all very well to make statements along that line, but my experience does not bear that out.

Mr. CARDIN: I would imagine that your experience was derived perhaps only in a brigade or so? But the documents were consulted, and we have had to do with the whole of the militia. These documents were taken as they were. We did not try to interpret them. We just put down the records as they were.

Mr. HARKNESS: In any event, I think you have previously admitted when we were discussing this matter earlier that in order to have 30,000 effectives at the time of an emergency, you would have to have considerably more than that number on strength within these units.

Mr. CARDIN: That is correct. I apologize to the committee if I have confused the issue on this question.

Mr. HARKNESS: It is not a matter of confusing the issue. I think there is no question but that this is the situation, where there is a total strength of 30,000, and you need 30,000 to do the job that you set, this is what is calculated to be needed in the event of an emergency if an emergency should take place, and you had 30,000, you would have to get something in the neighbourhood of 15,000, and if you thought you needed more than that at the most you would get 20,000. I think there is no question that the result is that the militia will not be able to do the job in an emergency which you, according to these calculations, think it must or it should do.

Mr. CARDIN: I feel that the effective strength will be far higher than it was in the past. And I also stated that there were of course experienced men that could be called upon to fill the gap between the effective strength and a 30,000 requirement.

Mr. HARKNESS: In the event of an emergency taking place, I think you will find that the men recruited are in jobs and are concerned in places where it will perhaps be difficult for them to get away and things of that kind, and that you will not have this rapid filling up of ranks which you seem to envisage, particularly of the men that are required who, by that time, in many cases, will have been away from military training activities by anything up to five, ten, or fifteen years.

Mr. CARDIN: I think you are forgetting that there is a normal attrition every year, and that these people are fresh out from the regular forces.

Mr. HARKNESS: There is normal attrition, that is right, but I think you will find that the number will be much less than the number required, and particularly that they are not going to be in an organization and are not going to be able to go ahead immediately.

Mr. CARDIN: I think we have a difference of opinion here. We feel that we can meet the requirement of 30,000 in these ways by increasing the standards of the militia, by reducing the age limit, and gradually creating a great deal more enthusiasm in the militia. If an emergency arises you can count on people from the forces who have been recently in.

The CHAIRMAN: I do not wish to interrupt, but I do have a number of members who have indicated that they want to ask questions.

Mr. DEACHMAN: I have a supplementary question. If you have a force now of 50,000, and if you propose to have a standard force of 30,000, does it not stand to reason that if you choose the 30,000 among healthier men, you can retain them longer. They will all be better physically, and it will be a great deal easier to maintain such a force of 30,000 than to maintain a force of 50,000, and that you would find it to be easier to maintain a force of 30,000 than perhaps to retain the present force of 50,000?

Mr. HARKNESS: I think you would find that the situation would work out in this way.

Mr. DEACHMAN: The figures are all set out, and the mathematics of the thing are clearly shown.

The CHAIRMAN: I have a number of other people who wish to ask questions.

Mr. MACINNIS: I have interpreted the Minister's remarks to mean that they only intend to recruit from 70 to 75 per cent of their establishments.

Mr. CARDIN: Yes, about that.

Mr. MACINNIS: That you would mean that you are recruiting from 70 to 75 per cent of your establishment, and that at no time is your strength going to require 30,000.

Mr. CARDIN: That is right.

Mr. MACINNIS: The implication which I would take from previous committee meetings is that the effect of it would be to permit you a greater leeway; in other words, I am of the opinion that it is 30 to 35 per cent that you people would need in excess of your strength; but would it not be the other way around, if you are going to recruit only 70 to 75 per cent of your establishment?

Mr. CARDIN: That is right.

Mr. MACINNIS: You referred in an answer to increasing the standards of the militia as such. Has such a program been worked out partially or otherwise,

and if so, what is the basic difference between today's set-up and this other training requirement?

Mr. CARDIN: There is I think a great field of possibilities in the ages, and in a comparison of the ages of the present people in the militia. I think we may very easily reduce the age limits, which will automatically increase the effectiveness of the militia. Standards of health I think are also a factor which could be looked into very carefully, and in that way also increase the effectiveness of the militia with younger and healthier men.

Mr. MACINNIS: We are reaching for something that is normal here?

Mr. CARDIN: Yes.

Mr. MACINNIS: It is a very normal thing to look for younger people, healthier people, who can do any job that may be required.

Mr. CARDIN: Yes, that is right.

Mr. MACINNIS: I am speaking of the actual programs within the new set-up. Just what changes are foreseen in this regard?

Mr. CARDIN: There are no programs that have been decided upon yet, nor can there be until decisions have been made on the whole militia, on what forms it will take, and what units there will be.

Colonel McPherson has reminded me that there will be considerably more corps training, for one thing.

Mr. MACINNIS: This is what I am reaching for. There will be more corps training? What else is there in mind?

Mr. CARDIN: There is what I mentioned last time I was before the committee, the matter of trying to give to the militia training with the regular forces on regular equipment during the summer months to a considerably greater degree than before.

Mr. MACINNIS: Has any thought been given in the larger centres to breaking down training units?

Mr. CARDIN: This is part of the study that is now taking place.

Mr. MACINNIS: Can you elaborate on that? What is the intention?

Mr. CARDIN: This is part of the study that is now taking place, and the decision will be made known in September or October.

Mr. MACINNIS: Possibly you can hear me out in what I was going to suggest in respect of the larger centres. I have in mind Halifax. We do not have the problem in Cape Breton that they have in Halifax where there is a main armoury available to militia units two days a week, or whatever it may be. This is placed in such a way that it is not very centralized for outlying units. It is felt by the militia units in that area that if there was a breakdown of facilities to the larger centres it could be much more successful than it is at the moment with the units having to come for miles around into the Halifax armoury. I think this has a great deal to do with the current failure of the militia units in the larger centres.

That is partially the case in Halifax, but I am not saying it is a failure there. However, if this is a problem in Halifax, it is much more of a problem in Montreal, Toronto and the larger western cities.

Mr. CARDIN: You are correct, and this is one of the objectives of the Suttie commission report. The second part of that report deals with that particular aspect. As I stated, the Department of National Defence is now looking carefully into the second part of the Suttie commission report in conjunction also with the other two committee reports but no decision has yet been taken in regard to what exactly will be done. Once that decision is made, then things such as training programs will automatically be implemented.

Mr. MacInnis: Aside from this decentralization as Mr. Lloyd suggested it should be referred to, can the minister now elaborate on any further portions of this program with regard to which the committee has not yet heard?

Mr. Cardin: No, I cannot elaborate further; this will be done in September.

The Chairman: Mr. Groos, Mr. Temple, Mr. Matheson, Mr. Asselin and Mr. Laniel have indicated that they wish to speak. Mr. Groos.

Mr. Groos: This is the first time I have heard these very high figures on the turnover that has taken place in the reserve forces. Something over 50 per cent was mentioned. I would be very depressed if I were to think that this were to continue under the new arrangements. It seems to me that with this sort of thing happening in the reserve the standard of efficiency must have been a lot lower than I think the public would have realized. I wonder how long this large turnover of over 50 per cent has been continuing. How long has this been going on? That is my first question of the minister.

Mr. Cardin: This, I understand, is quite a normal turnover and this, of course, is one of the reasons why we feel that a reorganization of the reserves is essential.

Mr. Groos: Has any study been made of the reasons for this great turnover?

Mr. Cardin: I am not sure that a study of the reasons was made; but as you know this is a voluntary exercise; one can get in voluntarily and one can get out voluntarily. There is also the fact that, particularly among the other ranks, who are usually younger people, they either change towns or they get married and some attrition takes place in this way. I think it would be very difficult to try to pinpoint any one particular reason why the turnover is so great.

Mr. Laniel: Selection has something to do with it.

Mr. Groos: I would think, Mr. Cardin, that if we are to offer the reserve units a more attractive job to do, if we are to offer them the tools to do that job properly, we should be able to be more selective in our recruiting. I hope we know how to go about this selection as a result of the experience that we have gained before. I wonder if any suggestion has ever been made that when one joins the reserve units there should be some sort of undertaking to serve for some specific period of time.

Mr. Cardin: I do not know that this has been decided as yet but this to me is a logical follow-up of what we are trying to do. It would seem to me that selection of the people in the militia has a direct bearing on the turnover. I think we have not been too selective in the past in this field, and I would hope that there would be some kind of requirement to serve for a certain length of time. I think this would solve part of the problem.

Mr. Groos: I would think Mr. Cardin that those in charge of the reserve units would feel there is a much greater possibility of their doing something useful if they were no longer faced with this very great turnover every year, and the efficiency of those units should be very much increased provided the considerations that I have put forward are taken into account. I am very hopeful myself that with this 30,000 proposal, there will be 30,000 really effective and keen militiamen, and that their effectiveness will be far greater than the active effectiveness of the much larger group that we have had in the past.

Mr. Cardin: That is what we are trying to do.

Mr. McPherson: I wonder, Mr. Chairman, if I might make a general comment on recruiting in the reserves and on trying to sustain interest in the reserves?

I held recent conversations with General Kerr of the Australian citizen force and with General Lang who is the Director of Training for the British army. We came to some general conclusions. One conclusion is that the young man of today does not really want to associate with people who are outside of his age group. This is general in Australia and in Great Britain.

Secondly, the young man of today does not like to be drilled too much. Many of the old soldiers here remember their own days, to put it in the vernacular, of square bashing, and although drill has its part and place in any military training program I believe there must be limitations to the amount of drill the young soldier is given. General Kerr, General Lang and myself concluded that we must have a different look at the kind of training we are giving to young men today in order not only to attract them but to sustain their interest and thereby keep them for a longer period in our reserves.

That is all I would like to say, Mr. Chairman.

Mr. GROOS: In effect, this is really a study of one of the reasons why there has been such a turnover?

The CHAIRMAN: Would you proceed, Mr. Temple.

Mr. TEMPLE: Mr. Cardin, the strength of the militia to be achieved is about 30,000. Is that right?

Mr. CARDIN: Yes.

Mr. TEMPLE: And in order to achieve this strength the establishment will be from 25 per cent to 30 per cent over and above that and, therefore, 37,500 to 39,000 is the establishment proposed?

Mr. CARDIN: Yes.

Mr. MACINNIS: Mr. Chairman, I have a supplementary.

The minister approved the suggestion of Mr. Temple that the establishment will be 37,000 to 39,000. Now, I put the question before in this way; my interpretation from what he said was that the recruiting would be 70 per cent to 75 per cent of the establishment, and the minister said yes to that. Now, you cannot have it both ways. Are we going to have an establishment of 25 per cent to 30 per cent above strength, which would give us at the outside, 39,000, or are we taking 70 per cent to 75 per cent?

Mr. CARDIN: The establishment has not been determined to the exact figure. What was said was that the establishment would be somewhere between 25 per cent and 30 per cent higher than the actual total strength. Now, you asked me whether the strength would be 25 per cent less than the establishment was and basing myself on the fact the establishment would be 25 per cent to 30 per cent higher I could say yes to your question.

Mr. MACINNIS: Yes, but as I mentioned at the time, my interpretation from the answers given to previous questions by Mr. Lambert and Mr. Harkness was that 30,000 was going to be the figure.

Mr. CARDIN: Yes.

Mr. MACINNIS: Then, I put my question directly and said that this is interpreted as meaning we are to recruit only 70 per cent to 75 per cent of our establishment, and the minister said yes. Now, it cannot be both ways. It cannot be 25 per cent or 30 per cent above 30,000, as Mr. Temple has indicated now or, say, 39,000.

Mr. CARDIN: The total strength will not be any more than 30,000. That should be clear. And, the same answer applies to Mr. Temple; it cannot be more than 30,000.

Mr. HARKNESS: Which means that at any time the actual strength actually will be less than 30,000?

Mr. CARDIN: The effective strength may be less.

Mr. TEMPLE: So that it is clear to me, and I think it is, at no time will we have more than 30,000 on strength?

Mr. CARDIN: That is correct.

Mr. TEMPLE: Of course, the establishment will be some 25 per cent to 30 per cent higher than that to allow for drop outs, people transferred and so on?

Mr. CARDIN: That is correct.

Mr. TEMPLE: Now, what is the present establishment and effective strength?

Mr. CARDIN: I think we have given that.

Mr. LESSARD (*Lac-Saint-Jean*): It was 51,000.

Mr. TEMPLE: That is about 50 per cent of what is is now?

Mr. CARDIN: Yes, about that.

Mr. TEMPLE: Then, to take it a step farther, the percentage of the militia which will be truly effective under the new plan will be much higher than it presently is due to using stricter age requirements and limitations of that kind.

Mr. CARDIN: Yes, that is correct.

Mr. TEMPLE: What length of time is it expected that will be taken to achieve this?

Mr. CARDIN: I think it would take about a year or so.

Mr. TEMPLE: Now, taking the air force for a moment, it was emphasized in the terms of reference they must bear in mind that the equivalent savings must be achieved. If the air force auxiliary can come up with a satisfactory plan whereby they can show the saving and still have more than the six auxiliary squadrons, is the government prepared to take cognizance of that, bearing in mind that you are forcing them to do some thinking in respect of this financial situation?

Mr. CARDIN: I would not like to give any encouragement at all in this field. We, after considerable study, cannot now see the possible requirements for additional squadrons, and I would not like to encourage them to think in those terms.

Mr. TEMPLE: Thank you.

The CHAIRMAN: Would you proceed, Mr. Matheson.

Mr. MATHESON: Mr. Cardin, following the question that was put to you by Colonel Harkness, would you subscribe to the need of our militia of a higher proportion of officers and N.C.O.s than normally would be considered desirable? I am thinking, in particular, of the proposition which Lieutenant Commander Fulford put forward to the militia committee. I questioned Commodore Hendy on this and he seemed to subscribe to the view that it took much longer to train a good officer or N.C.O. than it did another rank and, accordingly, the purpose of the militia simply should be to recruit people who will be making something of a career of this for some period of time and, therefore, should be prepared to work very hard in order to attain high N.C.O. and commission standings. Does this appeal to you?

Mr. CARDIN: It does in a way but I think it has to be relative. I do not think you could do very much if you had too many chiefs and no Indians or a very small proportion. I think you have to have some kind of proportion there. But, I agree, of course, it would take more time in order to be able to train N.C.O.s and officers than the ordinary militiaman. But, there is still a requirement for the other ordinary ranks. It is a question of proportion.

Mr. MATHESON: Then, taking the opposite view, may I bring up the question that has been troubling me, which I put to Brigadier Suttie. We are moving very rapidly now toward our centennial and we appreciate there are going to be tremendous demands across Canada for parade drill squads, bands, well

equipped forces and so on; is the department taking cognizance of the special needs in respect of this centennial, which is almost on our doorsteps, with regard to militia units that are going to serve the national interest in the way of ceremonies?

Mr. CARDIN: Well, yes. You know that the department is going to go ahead with the military tatoo across the country and in that connection the regular forces as well as the reserves will take part.

But I do not believe we could be justified—and I think this is what you are really arguing—in maintaining the militia just for the centennial celebrations.

Mr. MATHESON: No, sir, but bearing in mind the fact that we are spending, I think, hundreds of millions of dollars on the centennial arrangements, it would seem to me to be the height of folly to allow our militia, which is surely participating to a major extent in this general ceremony, on this great holiday, to fall down sharply so that it could not perform the functions that we would normally expect it to do at that time. In other words, I am really wondering whether the department should not consider some kind of slowdown as far as the reduction of strength is concerned, particularly for those militia units that can creditably add to our dignity as a country on its hundredth birthday.

Mr. CARDIN: I think that within the militia strength of 30,000 we would be able to take part in whatever military ceremonies might be required for the centennial celebrations. I do not believe that we would consider a slowdown in the reduction to 30,000. I think that there would be really no justification for a slowdown to my way of thinking. I would rather see 30,000 smart troops than 50,000 untrained troops.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, Mr. Cardin, I, too, like some of the other members of the committee, am a little disturbed about the strength of the militia. I think that the previous testimony, particularly when Mr. Suttie was before us, indicated that the effective strength of many of the militia units was not even of the order of 20 per cent, and that perhaps the average was somewhere between 40 and 50 per cent, as I recall the testimony. I am wondering how, even with an establishment which is 25 or 30 per cent higher than your strength, you are going to have an effective strength if the same conditions obtain.

Mr. CARDIN: I think you have answered your own question, the same conditions will not obtain.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): That brings me to the question I want to ask you. How are we going to do this?

Mr. CARDIN: By more selective recruiting, reduction of age, higher physical requirements for the militia, a more interesting and active role, trying to create enthusiasm within the militia, and a training program which will be far more interesting than the one they had in the past. We tried to get away in some areas from the social club activities of some of the militia and to bring it down to an effective force. I think that if you take a good look at the breakdown of the militia units in the country you will agree that there are some which are not essential and are not doing too good a job.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Perhaps we could look at it from another point of view. There are some militia units which are remarkably effective, whose strength is not far from their establishment in comparison to others. Perhaps the one that Colonel Harkness was associated with might be a case in point, and I know of one or two others which are standouts. Perhaps we might learn some lesson from these, possibly too rare, units on how the commanding officers obtain these results. I am not in complete agreement with what Colonel McPherson said some time ago. He indirectly blamed the problems of the militia on today's youth, in that they did not want to associate with

anyone else except themselves, their own age groups, and that they were against drill. I think this is too harsh a judgment to make. I think today's youth is as good as the youth of any other age, and perhaps if we examined those units which are successful we may find the answers to some of these problems, because I think that in the same areas in the large metropolitan districts you have successful and unsuccessful operations, and it is certainly the same youth that is being used in both cases.

Mr. CARDIN: I think you are right, Mr. Asselin. When I mentioned that there are some units, as you will see in the report, that are not very active, there are also some excellent units, and in those excellent units you will find that the total strength and the effective strength are not too far apart, whereas in the others the margin is quite large.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In actual feet your new strength is probably not far off your present effective strength anyway.

Mr. CARDIN: That might be right.

Mr. ASSELIN: (*Notre-Dame-de-Grâce*): At present you have an establishment of 56,000, but your effective strength, according to the testimony that we have heard, is certainly not very far form 30,000, and may be even less. Consequently, what will be occurring is a change of figures, but in effective strength there will be no diminution.

Mr. CARDIN: I would think the effective strength will be not too different from what it is now.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In connection with the air force report which was presented here by Group Captain Draper—

Mr. MATHESON: Mr. Chairman, I have a supplementary question. Is it possible, Mr. Cardin, in considering what changes have to be made, that special consideration will be given to the units that have done this, as Mr. Asselin has suggested, that is maintained a very high record?

Mr. CARDIN: Without question that is taken into account, without any question at all.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): In connection with the air force report of Group Captain Draper, he seemed to say, if I can take the liberty to summarize his complete report, that if the medical units and the technical training units were dispensed with, that in the same financial structure as has been suggested by the Department of National Defence and using civilian airfields, they could operate the same number of squadrons as heretofore. On the other hand, when questioned closely on this, Group Captain Draper was unable to substantiate with any investigation, particularly from a financial point of view, whether this was true or not. I am wondering, in view of the fact that perhaps the department has had the report longer than the defence committee, if any investigation of this aspect of the Draper report has been made, and if so, is the minister at this time prepared to give us some information? I for one feel that if the suggestion that the air force made is true and can be substantiated financially, then it would seem that their suggestion is one that should be considered.

Mr. CARDIN: There was a study made of this aspect of Group Captain Draper's statement. However, I do not think that I should now make any comment on what the decision will be. This is part of the study that the integrated defence staff has undertaken. We want to reserve all comments or decisions until we can make a complete and over-all decision on the whole of the reserves, including the R.C.A.F. auxiliary, and I do not think it would be of any use at this stage to give you whatever results there were in that field. I think it would be wiser to wait and then bring to you the whole decision of the department on the whole of the reserves rather than to do it by bits and pieces. Anyway, no decision has as yet been taken.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I might infer from this that while you are unable to give us any more information, you have not as yet made a decision on the suggestions which were made in the air force report.

Mr. CARDIN: That is correct. But I want to repeat what I said to Mr. Temple. I do not believe that it would be wise to give any kind of encouragement to the auxiliaries that there would be additional squadrons kept on.

Mr. ASSELIN (*Notre-Dame-de-Grace*): I thank you.

The CHAIRMAN: Now, Mr. Laniel.

Mr. LANIEL: Bearing in mind what you just said to Mr. Asselin concerning the different means by which it is hoped to reduce the turnover and to keep the strength of the force closer to the total established one, one of the points referred to was the qualifications of personnel. You mentioned reduction of the age limit and physical qualifications. This brings up a question to which I do not know if you have the answer. Would you have any figures about the percentage of the R.O.T.P. officers, of those who leave the services after three or four years of service, who are inclined to join the reserves and who are attracted to this kind of service?

Mr. CARDIN: I have no figures on it.

Mr. MCPHERSON: There are some, but the number is small.

Mr. CARDIN: There are some. There is a small number who do.

Mr. LANIEL: Do you not think that this would represent the best potential to replace the last war officers and thereby make the militia officer more effective, younger, and also make the turnover smaller? It is actually twenty years since the last war, and you will have to get rid of these officers who are past 40 and are getting close to 50 years. I am sorry to have to say this, but I think if you want to make the reserves effective, that would be one way to do it; or, you might carry on your own officer training within the reserves. But I think you have to forget about the last war officers after a while, anyway. It is all very well to be sentimental, but you must be practical and effective.

Mr. CARDIN: Consideration has been given to something along this line. This will be made known later on when we consider the reserve question and the R.O.T.P.

Mr. LANIEL: Thank you.

The CHAIRMAN: That completes the list of questioners. Before we adjourn may I say that at our next meeting we shall be dealing with our interim report, and that, hopefully, will be at the end of next week. The committee now stands adjourned to the call of the Chair.

Mr. MACINNIS: As Chairman you are well aware of what I am about to speak. But I do wish that in future any decision made by the Chairman or the Co-chairman would be made known to the committee immediately so that a situation which arose in my case very recently would not be repeated.

Mr. ASSELIN (*Notre-Dame-de-Grace*): Are you able to tell us anything about the next meeting and when it will be held?

The CHAIRMAN: The next meeting will be to consider our interim report, that is, to prepare a report and see it through committee. Hopefully it will be next week. If we get it through the steering subcommittee in time, it should be a week from Thursday, and of course *in camera*.

APPENDIX "A"

NOTE—*Original pagination of this Report is indicated in margin*

REPORT

of

THE COMMISSION

on the

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

PART I

THE COMMISSION ON THE REORGANIZATION
OF THE CANADIAN ARMY (MILITIA)

June, 1964.

To: The Honourable Lucien Cardin,
Associate Minister of National Defence.

Page 1

We, the undersigned members of the Commission on the reorganization of the Canadian Army (Militia), having carried out, to the best of our ability, the task assigned to us within the circumference of our Terms of Reference, have the honour to submit our report.

The certain knowledge that an effective Canadian Army Militia is vitally important to the Defence Policy of Canada has made the task worthwhile and rewarding.

The conclusions reached in this report are founded on information received from all sources and reflect our individual and collective thinking; the resultant recommendations have the endorsement of each and all of us.

We wish to acknowledge the honour and trust you have placed in us from the time of our appointment and throughout our deliberations.

We have the honour to be, Sir,

Your obedient servants,
(E. R. Suttie) Chairman

(J. P. Carriere) Brigadier
(D. G. Cunningham) Brigadier
(E. G. Eakins) Brigadier
(F. T. Jenner) Brigadier
(I. S. Johnston) Brigadier
(B. J. Legge) Lt Colonel
(V. de B. Oland) Brigadier
(P. Triquet) Brigadier

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INTRODUCTION AND SCOPE OF THE INVESTIGATION

The formation of the Commission on the Reorganization of the Canadian Army (Militia) (The Militia Commission) was proposed by the Chief of the General Staff and approved by the Minister of National Defence. The task of the Militia Commission as stated in the separate Terms of Reference, was to "recommend to the Minister of National Defence the best means of fulfilling the Militia requirements of the Canadian Defence Policy and the changes which should be made in the organization of the Militia to carry out its revised roles more efficiently and realistically". These Terms of Reference (Appendix A), which defined the roles of the Militia and the estimated strengths required, were found to be adequate and provided sufficient scope for the performance of the task. The hope was expressed that the Commission could have its report ready in approximately four months which set the target date as early June 1964. Page iv

In the latter part of January the members were appointed and the Commission met for the first time during the week of February 4th. In order to provide the members of the Commission with background information, a series of briefing sessions were given by the respective elements of Army Headquarters staff.

Subsequent to the briefings, the Commission developed a plan to complete the mission within the time limit established. It was concluded that an on-the-spot fact finding investigation by the Commission as a whole was a logical starting point. This phase was considered essential because conditions vary from Area to Area. A general picture was necessary in order to avoid conclusions which might be applicable in one Area but inappropriate in another. Accordingly, a schedule was drawn up which would complete this phase in the shortest time possible. Page v

During the period February 10 to March 17, the Commission interviewed the four Command staffs, twelve Area Headquarters and the 27 Militia Group Commanders and their staffs. All interviews were recorded on tape and subsequently were reviewed and the various points raised were extracted. The frequency and the priority in which these points were voluntarily raised provided significant guidance on both problems and solutions. In addition to interviews, a number of briefs were received from a variety of sources; (a list of briefs submitted is Appendix B of the Report). These briefs were given full consideration by the Commission during its deliberations. The Commission wishes to express its appreciation to all those who, in a spirit of good citizenship, saw fit to offer constructive advice.

The Commission met again during the second week of April to review the information gathered and to develop the next step in the investigations. It was evident that Commanding Officers should be given an opportunity to record their views. It was equally clear that time did not permit the Commission, as a whole, to repeat the operation of travelling from St. John's, Newfoundland, to Victoria, B.C. Commanding Officers, therefore, were invited, by letter from the Commission, to advise their respective Commission representative if they desired an opportunity to present constructive suggestions, either verbally or in the form of a brief. The period between April 10th and April 30th was set aside to enable the Commission

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representatives to hold interviews with those Commanding Officers who requested them.

The third meeting of the Commission was held during the first week of May. The Commission gave consideration to the recommendations which should properly form the main body of the Report. During this session discussions were held with the respective members of the Army Council to ensure that the recommendations were workable, from their point of view.

By the conclusion of this session the Commission had devised a firm plan concerning the form and timing of the Report. It was concluded that the most useful presentation would be to divide the Report in two parts. In Part I will be found the criteria and conditions which, in the opinion of the Commission, are best calculated to produce an efficient Militia capable of undertaking the roles assigned to it by the Terms of Reference. Part II has been confined to the detail of the reorganization and recommendations with respect to the disposition of those units and sub-units viewed in the light of the criteria established in Part I.

The Commission wishes to state that all the information it requested from the Chief of the General Staff and Branch Heads at Army Headquarters, General Officers Commanding, Area Commanders, Militia Group Headquarters and units was readily made

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available. The Commission received the same cooperation in its dealings with the executive of the Conference of Defence Associations.

The White Paper on Defence

The White Paper on Defence was distributed to members of the Militia Commission immediately it became a public document on 26 March 1964.

It had been considered that the White Paper, which established the principles for integration, might require a major reorientation of the Commission's work. However after studying the document the conclusion reached by the members was that the White Paper did not materially change the plan under consideration by the Commission. There were a number of reasons for this conclusion.

It is considered unwise to attend any integration of Militia units before the Regular Army has assumed its new configuration. The Reserve Forces are on the periphery, and logically, integration should take place from the center outward. The evolution and implementation of integration of the Regular Forces will take several months longer than the period suggested for the Commission's Report. In any event, before integration of the Reserves can be undertaken, corrective measures should be applied to bring the organization and unit establishments to an acceptable standard in order to gain the maximum benefit from integration. However, it is recognized that the changes in organization of the Militia should be compatible with the planned adjustment in Regular Forces along

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functional lines. Discussions were held with Army Headquarters staff to ensure that recommended changes in Command and control structure will fit into the expected changes in the Regular Forces.

Separate Ministerial Committees of Naval and Aair Force Reserve Officers prepared briefs subsequent to the unilateral decisions taken by the respective Regular Naval and Air Force staffs affecting the Reserves. These briefs were considered by the Associate Minister at

separate meetings prior to February 15th and it was the view of the Militia Commission that apart from endorsing the proposals made by these separate committees, no further consideration should be incorporated in our Report.

Facilities being surrendered by the Naval and Air Force Reserves across the country have been considered for take-over by Militia units where there is a need for them. In addition, consideration has been given to sharing accommodation in those instances where space is being released due to the reduction in the requirements of present occupants.

It is quite conceivable that a case can be made for the revival of Air Force Reserves in a transport role at the appropriate time. Air-portability is a required characteristic of integrated forces and it may well be that a need for light air transport will emerge after integration. Resources for such an organization exist in the Flying Clubs and there should be no special problem in reconstituting units for this purpose. Also, other air requirements can be foreseen for the Defence Forces such as reconnaissance and Artillery OP's and the close support of Infantry formations. Valuable and interesting training could be provided for the Militia by air cooperation in combined exercises. Page ix

Conditions

The revised roles for the Militia defined in the Terms of Reference require a force-in-being physically fit and trained for the assigned tasks. It must be recognized that the government has chosen a volunteer system for raising the Militia and that in the time available to volunteers the optimum training of the Militia will not reach the same standard as the Regular Force. Realistic training objectives cannot go beyond a militiaman fully trained in common-to-all-arms subjects with some familiarity in his particular corps. In the event of an emergency, time required to bring him to the Regular Force standard will be relatively short.

On the other hand the Regular Force is necessarily organized on a career basis with the result that many personnel would be over-age for combat operations. The chief role of the Militia should be to provide medically fit and youthful personnel trained to basic standards.

The recommendations which follow are considered essential conditions to ensure that Militia units can reach and hold the standards required to perform efficiently the tasks assigned to them.

SUMMARY OF RECOMMENDATIONS Page x

Public Relations Page 4

(*a*) That a positive public relations program in support of the activities of the Militia be implemented immediately.

(*b*) That such a program be financially supported by Federal funds and centrally controlled.

(*c*) That intially, the establishment and organization of such a program be placed in the hands of an agency, national in character and competent in its field.

(*d*) That the present system of one PRO per unit be abandoned being costly and ineffective. Public relations should be co-ordinated at Area and one regimental officer per unit should be detailed to keep the Area PRO advised of unit activities.

Authority of Commanding Officers Page 7

That authority be delegated to a Militia Commanding Officer consistent with his responsibilities to his unit and to his community.

Training Programs Page 8

That training programs be designed consistent with the stated objectives and full support in equipment, training areas and personnel be provided by the Regular Forces.

Weekend Training Page 9

That weekend training be encouraged in principle, but carried out at the discretion of the Commanding Officer, who is fully conversant with local conditions.

Equipment Page 11

(*a*) That the possibility of using commercial type equipment and vehicles be vigorously explored.

(*b*) That efforts be made to obtain surplus tanks from other NATO countries.

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Training Aids Page 12

That the pursuit of an imaginative program for the development of training aids be fully supported by the Department.

Training Manuals Page 13

That great care be given to the preparation of new training manuals.

Corps Schools

(*a*) That a concerted effort be made to revive the role of Corps Schools for both officers and NCOs.

(*b*) That course schedules be promulgated with firm dates at the beginning of the training year and that each unit receive a copy of the course manual.

Regular Army Support Page 16

(*a*) That a complement of Regular Force officers and NCOs should be posted to Militia units on the scale recommended in Part II.

(*b*) That Regular units should be responsible for providing courses and attachments for Militia personnel.

Physical Fitness Page 17

That more emphasis be placed on physical standards and militiamen be stimulated to take a personal interest in their own physical fitness.

Age Limits Page 18

That over-age officers and NCOs in combatant units should be retired in an orderly fashion.

Recognition Badges Page 19

That badges marking significant achievement should be awarded to all militiamen on obtaining the requisite qualifications.

Uniforms Page 20 Page xii

(*a*) That there should be no distinction between the Regular Force uniform and those issued to the Militia.

(*b*) That recovery of kit procedures be simplified and costed at a depreciated value to eliminate its obvious evils.

Establishments Page 21

(*a*) That Militia unit establishments be reduced to a reasonably obtainable total.

(*b*) That classification of units as major or minor will provide inherent incentive advantages.

Special Reserve of Officers Page 22

(*a*) That efficient officers retired for age only should be posted to a Special List, where they will be held available for assignment to static units and staff positions related to Internal Security and Survival, if required.

(*b*) That those officers who have demonstrated ability as instructors be employed as cadet training officers, where possible.

Administration Page 24

(*a*) That a complete review of the present administrative procedures be carried out with a view to eliminating costly practices and give Commanding Officers more authority.

(*b*) That units, as far as their involvement with administration is concerned, be on a modified field return basis.

Attestation Page 26

(*a*) That the system of re-engagement every second year be abolished.

(*b*) That a simple enrolment document be introduced and processed entirely within the unit.

Boards of Inquiry Page 27 Page xiii

(*a*) That Boards of Inquiry for minor losses, injuries and the like are not necessary and a Commanding Officer's certificate should suffice.

(*b*) That Commanding Officers be authorized to write-off minor losses.

(*c*) That Regular Army Officers, attached to units, be responsible for any necessary Boards of Inquiry being completed in an acceptable form.

Accounting Page 30

(*a*) That the accounting requirements of the Militia unit should be reduced to a reasonable level consistent with funds involved and the rate of turnover.

(*b*) That Area inspections should be revised to be less frequent and more realistic by a proper balance between inspection costs and the likelihood of serious deficiencies. Sampling with a scheduled number of detailed inspections should satisfy the requirements.

(c) That annual depreciation should be recognized and a system established whereby the percentage of depreciation becomes the write-off authority of the Commanding Officer.

Pay Page 32

That the present system of per diem pay be abolished and a bonus system substituted with tax deducted at source.

Special Expenses Page 33

That reasonable expenses related to purchase of required kit appropriate to officers, Warrant Officers and Senior NCOs be an allowable tax deduction.

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Contingency Allowance Page 34

That Contingency Allowance entitlement should be altered to consist of two payments:

(a) a basic amount payable to major and minor units at the beginning of the training season; and

(b) payment of a bonus in addition, to be determined by the over-all efficiency of the unit.

Armouries Page 34

That the present administrative system for control of armouries be revised with a view to making it more efficient and that a greater degree of authority be delegated to Commanding Officers in the sphere of public use of these facilities.

Composite Stores, Orderly Rooms and Messes Page 35

That, where savings in space and personnel are required, composite stores, orderly rooms and messes be established.

Disposal of Surplus Army Buildings Page 36

(a) That, where practicable, facilities declared surplus be leased to communities at a nominal rate with the understanding that they become immediately available in the event of an emergency.

(b) That, in the case of facilities declared surplus to requirements and disposed of by sale, the monies resultant remain under the control of the Department.

The Defence Association of Canada Page 38

(a) That the present Conference of Defence Associations be re-designated the Defence Association of Canada and function as such after the annual conference of Defence Associations in January, 1965.

Page xv

(b) That delegates to the Defence Association of Canada be appointed on a representational basis from existing units of the reorganized Reserves and that this representation be limited to serving officers or to honourary colonels or honourary lieutenant colonels, or equivalent appointments, and to serving presidents and secretaries of Corps Associations.

(c) That Corps Associations be self-supporting.

(*d*) That the re-designated Defence Association of Canada be the recipient of the present total allocation of funds and that it assume the control and responsibility for its disbursement.

PUBLIC RELATIONS

Page 1

In the past the Militia has existed in a vacuum. If it is to survive, it must have positive support from government and local organizations. A positive public relations program emanating from the Federal Government is needed to inform the public and to induce civic organizations and the business community to give tangible support to Militia units in their locality. Across the country there are outstanding examples of vigorous units which are keenly supported by the community and local industry. In the main, however, this support is not forthcoming and without it, the best efforts of those serving in the Militia are impotent to produce an effective unit or sub-unit. Support from industry in the locality can be the most significant factor in the success of a unit. Unfortunately, industry and the business community, generally, are indifferent and render little or no assistance to the Militia. Most companies are sensitive to their responsibility in the community and would react favourably if their support was requested by the highest level of government. Such support could be solicited from industry by making employers aware of the obligations to the Militia which their employees have undertaken. This rapport should take the form of ministerial correspondence with the firms involved.

Page 2

The public has either a false image or no image at all of the Militia soldier. Generally speaking the public sees the Militia as "through a glass, darkly". Any distortion must be corrected and the best way to accomplish this is by means of a properly planned program which utilizes the facilities of the various news media. It is inconsistent that a serviceman should be a hero in wartime and a curiosity in peacetime.

A positive public relations program should be developed and centrally controlled in order to ensure that maximum value is received from money expended. It is not the propagandist or hard sell, soft sell Madison Avenue approach which the Commission advocates. It is the presentation, to the public, of the Militia clothed in all its true environmental aspects: its purpose; its work; its training; and its contribution to the community and the nation as a whole. This the tax-payer has a right to know and it is only through a well coordinated program of public relations that the public can know. As envisaged, such a program will benefit not only the Militia but will also satisfy the curiosity of the public in its search for assurance that its support is well merited.

Page 3

For consideration might be the purchase of space in the principal newspapers for a weekly report on Militia activities. Presently, the only activity given prominence is social events, which merely confirms the impression of the general public that the Militia is principally a social organization. Training activities, attendance at summer camps, and the participation of Militia during catastrophes such as the Winnipeg flood, forest fires and more recently the tidal wave on Vancouver Island, are not given the publicity they merit. The Militia have done, can do and are doing much in this field to enhance their image but they lack governmental and public support to be

truly effective. Initially, at least, the establishment and organization of such a public relations program should be placed in the hands of a national commercial agency.

It is the conviction of the Militia Commission that a properly informed public together with actively interested civic organizations and sectors of the business community would ensure the vitality of Militia units as long as the need exists. In this connection it is suggested that certificates of merit should be available for presentation to communities and companies for outstanding support of the Militia. Such certificates should be issued with care on the recommendation of the local senior Militia officer and approval of Area Commander.

The youth of the country, properly motivated, will accept the obligation of serving in the Militia. Social distractions which did not
Page 4 exist a generation ago are largely responsible for the difficulty in attracting and holding young men in Militia units. This condition can only be offset by vigorous and continuing public relations efforts.

Recommendations:

(*a*) That a positive public relations program in support of the activities of the Militia be implemented immediately.
(*b*) That such a program be financially supported by Federal funds and centrally controlled.
(*c*) That initially, the establishment and organization of such a program be placed in the hands of an agency, national in character and competent in its field.
(*d*) That the present system of one PRO per unit be abandoned as being costly and ineffective. Public relations should be co-ordinated at Area and one regimental officer per unit should be detailed to keep the Area PRO advised of unit activities.

AUTHORITY OF COMMANDING OFFICERS

It is axiomatic that responsibility must be complemented by a requisite amount of authority to perform efficiently the functions of any executive position. The Militia Commanding Officer has full responsibility and virtually no authority; he is so circumscribed by headquarters hierarchy and restrictive regulations that almost any
Page 5 decision he takes is bound to be wrong. Commanding Officers are generally mature and responsible citizens in their community and can be expected to discharge their duties in an acceptable manner. They must have reasonable opportunity to exercise judgment and make decisions in light of circumstances which are peculiar to the situation and frequently fall outside the wording, if not the intent, of restrictive regulations. A Commanding Officer should be the final authority in decision-making in the following areas:

1. *Training programs:* The Commanding Officer should be free to prepare his unit's training program. The training directive should be a guide, but determination of training time and subjects must be adjusted to suit local conditions.
2. *Training budget:* In the past, limitations on training have not provided the Commanding Officer the flexibility he needs to train effectively. He should be allocated a budget and providing he does not exceed the limits, the details of expenditures should be his own concern and responsibility, subject to a simple accounting. Training will be

more effective when the detailed design is a local responsibility. Any abuses that might occur would occur in any event and are a characteristic of the individual. These Page 6
cannot be excluded by restrictive regulations.

3. *Write-offs of Deficiencies:* Reasonable authority must be delegated to Commanding Officers to write-off deficiencies in a responsible manner instead of the present frustrating procedures.
4. *Special Training:* Units located near permanent depots should be permitted to arrange special training directly with the unit concerned and then obtain approval from the appropriate headquarters. Under the present system, the application may have to be processed up and down through five separate headquarters, with the result that it can take eight weeks or more to arrange special training. Regular units are cooperative and anxious to assist the Militia, and a direct relationship is highly desirable.
5. *Use of Armouries:* Particularly in smaller communities, the control of the armouries for uses other than training should be delegated to the appointed officer in charge of the armoury. Present regulations are so cumbersome that the public are barred from using facilities belonging to them for an important community activity.

Recommendation: Page 7

That authority be delegated to a Militia Commanding Officer consistent with his responsibilities to his unit and to his community.

TRAINING

General

As training is the cornerstone upon which an efficient Militia is built, the Commission has dealt with this subject under the headings of its several facets. Our recommendations follow our observations in each case.

Training Programs

The training objectives for the Militia should be set with due regard to the requirements of the assigned roles and should be obtainable within the established training time.

The basic requirements should be officers and NCOs well-qualified in their respective arms, and militiamen who can reach the level of fully-trained militiamen in a two-year cycle.

It follows from this that training must be progressive and designed to retain the interest of both officers and men. There is a continuing requirement for well-qualified officers and NCOs who must have a complement of militiamen sufficient in numbers to enable exercises to be carried out and to provide the needed experi- Page 8
ence in man management and leadership. Selected militiamen would progress to Junior NCOs and form the nucleus of NCOs which together with commissioned ranks would constitute the framework capable of undertaking rapid expansion in the event of an emergency.

Effective training calls for the provision of adequate facilities, a reasonable scale of training equipment, and instructional support from the Regular Army. For higher qualifications, a full range of

courses at corps schools is a necessary element, and summer camps as well as attachments to Regular units for selected officers and NCOs should be included.

Recommendation:

That training programs be designed consistent with the stated objectives and full support in equipment, training areas and personnel be provided by the Regular Forces.

Weekend Training

The Terms of Reference refer to the practicability of weekend training as opposed to conducting training in the evenings during the week. There is general agreement that weekend training is effective and beneficial beyond question. The advent of the five-day week does make weekend training a practical consideration, but it cannot be assumed that training can realistically be confined to
Page 9 weekends only. The improved standard of living, accompanied by greater mobility, has resulted in weekend social activity of the family unit. Militiamen are prepared to do weekend training occasionally but they must be available to their families with reasonable frequency. Moreover, in smaller communities, the five-and-a-half day week or time off other than Saturday is quite common. Also prevalent is the practice of a second job in free time to augment family income. Consideration of all these factors suggests that it would be unwise to attempt to make training exclusively a weekend activity. Local and personal conditions must be recognized.

Recommendation:

That weekend training be encouraged in principle, but carried out at the discretion of the Commanding Officer, who is fully conversant with local conditions.

Equipment

Training cannot be effective unless there is available to units a reasonable scale of equipment. The lack of equipment in the hands of units or available on a pool basis was a principal criticism in all Commands. It is imposible to hold the interest of militiamen if they have no opportunity other than in summer concentration to familiarize themselves with the equipment they are expected to use in war. It is recognized that the cost of outfitting units with a generous scale of equipment cannot be tolerated. However, there is a minimum re-
Page 10 quirement which must be met in order to train to the required standards. To expect infantry to maintain interest without their personal and support weapons is unrealistic. The problem increases in severity in direct proportion to the technical specialization of the individual units, e.g., signal, armoured, artillery.

It will be remembered that Germany was prevented by the Treaty of Versailles from rearming during the thirties. Nevertheless, with the use of civilian pattern vehicles and mock-ups, they managed to weld a formidable war machine which came perilously close to victory over the Allies. The same imagination and ingenuity applied to equipping Militia units can do much to overcome the equipment situation at a reasonable cost. Commercial vehicles cost considerably less than military pattern vehicles and if purchased in quantity could be disposed of at little loss before maintenance became a cost factor. An inexpensive 4-wheel drive vehicle costing

$2300 is approximately half the cost of an army model Jeep. This vehicle has remarkable cross-country performance and would be ideal for training units in manoeuvres and deployment.

There has been a chronic shortage of wireless sets and the limited scale in the possession of units is annually withdrawn before summer camp to provide transmitter-receivers in the price range of $600-$800 (compared to $3500 for a 42 set) will provide equipment to train signallers in all arms. An inexpensive ($60) two-way civilian Page 11
band transistorized set with a range of two to four miles and up to 40 miles under ideal conditions is also available from commercial sources. Armoured units could be provided with obsolete tanks purchased at little cost from other NATO countries to give them the means of familiarizing themselves with track suspensions, crew space, etc., and would not be that much different from the latest tanks in use. Artillery units both field and medium can train with 105 mm. guns. However, a redistribution of guns and fire control instruments is indicated to provide the remaining units with a scale of equipment consistent with their respective strength. Imaginative pursuit of the foregoing will result in providing all corps with a reasonable scale of equipment at a relatively low cost.

It is a fundamental requirement that the infantryman should have his own personal weapon. It might be interjected at this point that the proper facilities to lock up portable weapons and stores must be provided. The cost of maintaining 24-hour guards on armouries would be considerably more than the capital cost of providing adequate lock-up storage.

Recommendations:

(a) That the possibility of using commercial type equipment and vehicles be vigorously explored.

(b) That efforts be made to obtain surplus tanks from other NATO countries.

Training Aids Page 12

Too little has been done in the development of training aids. A proper scale of training aids would not only stimulate interest but provide inexpensive facilities to do effective training. In Winnipeg the Commission was shown an indoor training range ingenious in design and costing only $600 in material. It was equipped with moving targets for rifle practice and also could be employed as a puff range to teach target recognition and correction-of-fire procedure. It was a most useful device for infantry, armoured and artillery units housed in the same armoury.

In Edmonton, we witnessed a demonstration of a sub-calibre mortar operated by compressd air and costing under $500. Here again, it was an inexpensive and valuable means of teaching mortar crews and correction-of-fire procedures. Plastic models for sand table exercises and models of personal weapons could well be devised at a low cost.

To stimulate the development of training aids, an award system should be considered for Militia units who successfully design a low-cost training aid. It is the conviction of the Commission that an imaginative approach to the development of training aids will result in a whole range of valuable and inexpensive substitutes which will make training effective and interesting.

Recommendation:

That the pursuit of an imaginative program for the development of training aids be fully supported by the Department.

Page 13

Training Manuals

The fundamental tool of Militia training is the training manual. Most of the manuals issued to units are out of date and the Commission is of the opinion that much can be done to improve the quality of the subject matter from a presentation point of view. It should be possible, in this area, to develop a system whereby training manuals for the Militia are kept under constant review and produced in a simple and attractive format. Additionally, when promulgated, training manuals should be issued on a pre-established scale to all units.

Recommendation:

That great care be given to the preparation of new training manuals.

Corps Schools

Important to the higher qualifications of officers and NCOs is the operation of strong Corps Schools. Prior to 1939, the Royal Schools played a vital part in the training of Non-Permanent Active Militia officers and NCOs. Instructional standards were consistently high and attendance at a Royal School was the goal of every serious-minded militiaman. Facilities to duplicate this performance are even

Page 14

better at the present time and a firm effort should be made to restore to Corps Schools the primary position they occupied in the training structure. The changed conditions existing in the current economic and social structure make it impractical to consider courses of six or eight weeks in duration. However, courses two weeks in duration are feasible and attendance at these for officers and NCOs should be stimulated. In this connection, Militia units should be consulted to determine the time of year most suitable for attendance by their personnel at Corps Schools.

It cannot be emphasized too strongly that scheduled courses once promulgated should be held. Instances were reported where candidates were informed of the cancellation of a course while en route. Inherent in this is the requirement that courses must be promulgated well in advance as the militiaman often must make arrangement to have his civilian annual holidays coincide with the course he wishes to take. It is suggested, therefore, that each unit should receive, at the beginning of the training year, a copy of the course manual.

Recommendations:

(*a*) That a concerted effort be made to revive the role of Corps Schools for both officers and NCOs.

(*b*) That course schedules be promulgated with firm dates at the beginning of the training year and that each unit receive a copy of the course manual.

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Regular Army Support

Within both Regular and Militia Headquarters there is unanimity of opinion on the matter of more Regular Army support.

Detailed recommendations are contained in Part II of the Report. It is mentioned herein because its acceptance in principle is important to both training and administrative efficiency. Under present arrangements 332 call-out personnel are posted to units and I staff numbering 738 are held in Area Pools. Posting of Regular Army personnel to units would be more effective and cost substantially less than the system now inforce.

The integration or cross posting of Regular Army personnel to the Militia is equally important and beneficial to both the Regular Force and the Militia. The new roles of the Militia in support of the Regular Forces demand a closer relationship between the two elements than has existed in the past. Moreover, the new generation of junior Regular officers and NCOs is not familiar with the Militia and unless this rapport is established, the sudden integration in time of emergency will not take place smoothly. It should be part of the career training of young officers of the Regular Army in the rank of Captain or junior Major to serve a tour of duty not exceeding two years with a Militia unit to assist in training and administration. Officers and NCOs should be carefully selected before attachment and their performance while attached should have Page 16
significant bearing on their future progression. The Militia should not be used as a repository for inefficient or unwanted personnel of the Regular Forces. Since this should be regarded as a normal part of Regular Force training, the Militia vote should not absorb the total cost.

In addition to providing posted personnel, each Regular regiment or battalion should have a constellation of Militia units with which they are closely identified. This identification should include providing personnel for instruction purposes, conducting courses, and providing attachment for selected Militia personnel. The linking of Regular and Militia units is a desirable condition but should not be imposed; rather it should be a voluntary matter between the units concerned.

Recommendations:

(*a*) That a complement of Regular Force officers and NCOs should be posted to Militia units on the scale recommended in Part II.

(*b*) That Regular units should be responsible for providing courses and attachments for Militia personnel.

Physical Fitness

One of the obvious requirements of the new concept is that the Militia must be physically fit. The lack of showers and changing facilities in most armouries makes PT parades impractical. Apart Page 17
from this, training time does not permit emphasis of physical fitness at the expense of other training.

A more productive approach would be to stimulate young soldiers in physical fitness which they would do largely in their own time. The issue of a modest scale of gymnastic equipment, e.g., ground mats, parallel bars, wall bars, etc., would not be costly and would have their greatest use on voluntary parades. PT instructors can be made available and inter-unit competition in organized sports and gymnastics could do much to raise the level of fitness.

Recommendation:

That more emphasis be placed on physical standards and militiamen be stimulated to take a personal interest in their own physical fitness.

Age Limits

Co-existent with the physically fit concept is the requirement that Militia personnel must be within the age limits for field service. At the present time, far too many officers and NCOs are beyond the age where they could serve in the field and would have to be replaced immediately in the event of an emergency. It is therefore essential that these over-age officers and men should be retired
Page 18 with honour as rapidly as can be accomplished in an orderly fashion. Many of these officers and NCOs have rendered valuable service over many years and it would be an appreciated gesture if their compulsory retirement was accompanied by a certificate or citation signed by the Minister of National Defence. As a guide it is suggested that officers and NCOs serving in combatant units should be qualified for and promoted to the respective ranks prior to attaining the following ages:

Lieutenants	Age 26	Jr. NCO	Age 26
Captains	Age 29	Sr. NCO	Age 32
Majors	Age 34	WO2	Age 37
Lt Cols	Age 37	WO1	Age 40

The retirement age for officers and NCOs in technical and service units should conform with Regular Army practice.

Recommendation:

That over-age officers and NCOs in combatant units should be retired in an orderly fashion.

RECOGNITION BADGES

Important to all individuals is the need for participation, a sense of belonging and recognition. A militiaman is motivated to join a unit in order to participate in a worthwhile activity and become a member of a significant association. Recognition of his
Page 19 achievements, the third important factor, is the responsibility of the organization. Every uniformed group recognizes achievement with badges indicating special qualifications as well as length of service by bars or chevrons. This recognition is equally important to the uniformed militiaman and there should be a badge indicating a trained recruit which would be replaced by a more permanent badge when he acquired the status of a trained militiaman. For consideration is the presentation of an identification card similar to that of the Regular Forces on the completion of two years' service and qualification. In addition, special tradesman qualifications should also be recognized by an appropriate badge. Chevrons indicating length of service in a unit should be granted on the completion of each year's service. A visible recognition of achievement will provide a worthwhile incentive to the individual militiaman and the unit.

Recommendation:

The badges marking significant achievement should be awarded to all militiamen on obtaining the requisite qualifications.

UNIFORMS

Dress is the outward expression of esprit. The Militia can never be well-turned out and take proper pride in appearance if they are dressed in hand-me-downs from the Regular Army. It should be possible for a militiaman to be as smartly dressed as his counterpart in the Regular Forces. Page 20

The Commission is in agreement that the entire problem of recovery of kit and write-off of lost clothing should be revised. Write-off based on replacement value at initial cost is unrealistic and unfair. It encourages units to buy lost articles in second-hand stores because it is cheaper and by the same token provides an outlet for the illegal disposal of issued clothing.

Recommendations:

(*a*) That there should be no distinction between the Regular Force uniform and those issued to the Militia.

(*b*) That recovery of kit procedures be simplified and costed at a depreciated value to eliminate its obvious evils.

ESTABLISHMENTS

Examination of unit strengths in all corps indicates very clearly that it is impossible for Militia unit strengths to approach the wartime establishments of the Regular Forces. Rarely does the effective strength exceed one-third of the war establishment and this unreal situation should be eliminated. Part II of this Report will include revised establishments for Militia units which are reasonably obtainable. The proposed establishments will provide a reasonable proportion of officers and NCOs to enable units to train effectively. This will be the foundation for quick expansion in the event of an emergency. Page 21

Co-effective with the introduction of revised establishments is the requirement that units be designated as either major or minor. A review of the unit's status should take place immediately prior to every change of command.

Recommendations:

(*a*) That Militia unit establishments be reduced to a reasonably obtainable total.

(*b*) That classification of units as major or minor will provide inherent incentive advantages.

SPECIAL RESERVE OF OFFICERS

The majority of officers who will be retired for age reasons have valuable administrative experience and ability which should not be lost for this reason alone. The requirement for Internal Security and Survival Operations could very well be fifilled in the key positions by officers drawn from this category. The same would

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apply to professionals, such as medical, dental and personnel selection officers, who will become surplus to requirement in the reorganization. The establishments for Internal Security and Survival units should be firmly fixed and officers from this special list posted to definite positions. It would then be possible to call them up for exercises and schemes to ensure this portion of the Militia responsibility would function immediately an emergency occurred.

It is also considered that among these officers there will be a certain number who have, throughout their careers, demonstrated a high degree of competence in the instructional field. These officers, carefully selected, would make ideal cadet training officers.

Recommendations:

(*a*) That efficient officers retired for age only should be posted to a Special List, where they will be held available for assignment to static units and staff positions related to Internal Security and Survival, if required.

(*b*) That those officers who have demonstrated ability as instructors be employed as cadet training officers, where possible.

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ADMINISTRATION

One of the hazards which the Armed Forces face in peacetime is a tendency to over-administer themselves. The inevitable result is that administration does tend to overshadow the primary purpose of a Military Force. In Canada the administrative functions performed by the Regular Army cannot help but overflow into the sphere of the Militia.

The principle that Militia units should struggle with peacetime administration on the same basis as the Regular Forces is unsound and unwarranted. In its investigations the Commission found that the tentacles of the administrative octopus reach into all aspects of the Militia organization with stifling results. The only detailed administration that a unit should be conversant with are the field returns they would complete in time of emergency. Other unavoidable peacetime administration should be the responsibility of the Regular Army increment.

The Commission wishes to point out that this division of responsibility for administration between the Militia and the Regular Force is not to be taken literally. There is a firm requirement for a complete review of the present administrative procedures in order to eliminate senseless and useless detail and thus reduce both the number and frequency of submissions. There are many instances where a handwritten message or a telephone report would suffice.

Page 24

Reports and returns appear to multiply with the rapidity of the amoeba and with as much purpose. Control can be exercised over one source of this multiplicity of administrative detail. Reports are initiated to prevent a recurrence of an incident which has caused some embarrassment. It then becomes a permanent requirement even though the probability of a repetition of the incident is extremely remote.

At the present time there are 332 call-outs under Canadian Army Order 94-2. This full-time assistance, provided Militia units to cope with administrative detail and QM Stores, is insufficient to

meet present administrative loads. The annual cost in excess of $1.5 million dramatically points out the urgency for a complete review of the administrative process.

Recommendations:

(*a*) That a complete review of the present administrative procedures be carried out with a view to eliminating costly practices and give Commanding Officers more authority.

(*b*) That units, as far as their involvement with administration is concerned, be on a modified field return basis.

ATTESTATION

The system of re-engagement every second year is not conducive to the development of a Militia-career attitude. The militiaman should be motivated not by the thought that he has joined for a short period, but by the fact that he has a vital role to play with career prospects throughout his Militia life. The present re-engagement policy works against this concept. It is responsible for unnecessary paperwork and the requirement of re-engagement, as it arises, in many cases forces a decision on the part of the individual to withdraw from the Militia. Page 25

The Commission is of the opinion that the present system of attestation on a parallel basis to the Regular Army is unnecessary and time-consuming. For normal enlistment in the Militia the card which was in use by the Non-Permanent Active Militia prior to World War II is all that is required. This card was an accepted document and contained all the essential personal details, medical report, and record of service.

Further, the enlistment of a private soldier should be done within the unit and completed on the parade at which the recruit presents himself.

Under certain circumstances, e.g., promotion to Junior NCO, the full attestation including personnel selection might be considered. The time for this is later in the career of a militiaman, not at the beginning.

Recommendations: Page 26

(*a*) That the system of re-engagement every second year be abolished.

(*b*) That a simple enrolment document be introduced and processed entirely within the unit.

BOARDS OF INQUIRY

With respect to the handling of Boards of Inquiry, there are several suggestions the Commission wishes to make and see implemented.

Firstly, it is our considered opinion that the requirement for Boards of Inquiry for minor losses is quite wrong. The most satisfactory solution to this problem is that part of the responsibility of Commanding Officers should be delegated authority to write off minor losses.

Secondly, under the present system of investigation a militiaman injured on duty must await the outcome of the inquiry before any payment is made. This is an unreasonable hardship and frequently means he is without income until he is able to resume his normal employment. Proof of attendance on parade or on an exercise, as evident from attendance rolls or Part II Orders, should protect the militiaman from monetary hardship and make him elegible for
Page 27 whatever compensation he is entitled to. In other words, an injured militiaman should receive his daily entitlement from the time of injury or illness incurred on duty. It will be the exception to the rule when "recovery of pay" action must be taken due to disqualification and this, in most cases, can be arranged. The principle of penalizing all to prevent an insignificant loss in isolated instances is grossly unfair.

Thirdly, the Commission consider it appropriate that Regular Army officers attached to units should be responsible for Boards of Inquiry being completed in an acceptable form. The frequent return of Boards of Inquiry for minor corrections delays action and teaches very little. A single submission should suffice.

Recommendations:

(*a*) That Boards of Inquiry for minor losses, injuries, and the like are not necessary and a Commanding Officer's certificate should suffice.

(*b*) That Commanding Officers be authorized to write-off minor losses.

(*c*) That Regular Army Officers, attached to units, be responsible for any necessary Boards of Inquiry being completed in an acceptable form.

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ACCOUNTING

The Regular Forces agree that the present system of accounting for stores and monies is archaic and should be drastically revised. Imposed on the Militia units it creates an enormous burden of administrative detail which has little resemblance to normal business procedures for the control of expendable stores and equipment. In particular, the accounting procedures for non-public funds are completely out of proportion to the amount of money involved and the nature of the activity. Regulations require that regimental institutes, e.g. canteens, should bank daily, but Militia institutes may only function one night a week. An observation demanding an explanation why banking was not done daily does nothing to endear the system or its interpreters to harassed Commanding Officers.

The same criticism applies to inspections which units must endure. An item by item count of low cost stores is presently the practice and it may be safely stated that the deficiencies determined by this method are only a fraction of the cost of carrying out the inspection. Until such time as the Regular Force accounting procedures can be sensibly revised, some relief should be given to Militia units. The present system of accounting, especially in con-
Page 29 nection with the operation of institutes, requires far too frequent returns. Accounting can and should be simplified and be on an annual basis. Non-public funds should be completely administered by trustees appointed by Commanding Officers.

A most vexing situation is related to the accounting for expendable items of stores, e.g., clothing. If an article is missed in the account and charged but later found surplus, taking it back on charge is a major operation. Conversely, deficiencies of literally worn-out clothing can only be written off at the full replacement value. Depreciation is universally recognized in the business community for capital goods and replacement stores. The Services do not recognize this accepted principle but insist on accounting for all items at their original cost. The result is that equipment and stores in the custody of units have an artificial value. It is probable that the real value would be something less than 50% of the book value yet it is the book value total that is the responsibility of Militia units. An agreed percentage of depreciation should be established and Commanding Officers should have the authority, after proper investigation, to write off deficiencies without the laborious process of convening a Board of Officers. This problem is particularly severe in attempting to adjust losses of issued equipment to militiamen who become non-effective. A reasonable effort should be made in every circumstance to recover the equipment, but when investigation shows clearly this is a near impossible task, the means of closing the matter should be available to the Commanding Officer. Page 30

Recommendations:

(*a*) That the accounting requirements of the Militia unit should be reduced to a reasonable level consistent with funds involved and the rate of turnover.

(*b*) That Area inspections should be revised to be less frequent and more realistic by a proper balance between inspection costs and the likelihood of serious deficiencies. Sampling with a scheduled number of detailed inspections should satisfy the requirements.

(*c*) That annual depreciation should be recognized and a system established whereby the percentage of depreciation becomes the write-off authority of the Commanding Officer.

PAY

The present system of per diem pay for Militia training is responsible for a heavy burden of administrative effort and is largely ineffective. A militiaman can qualify for a day's pay by attending every fourth parade. This means attendance during the training season of 25% entitles him to that proportion of annual training pay, despite the fact that the training he has received is of little value.

Part II of the Report will contain the detail of a new pay system, based on the bonus concept, which will eliminate administrative detail and provide an incentive to attend parades. Instead of a daily rate, the pay will be based on training blocks requiring 60% attendance to qualify for any bonus. A militiaman who, during the training season including summer camp, attends more than the minimum requirement for each block will receive an additional bonus. The total for full attendance in no case would exceed the net pay for full attendance under the present system. Page 31

As already indicated, it is our opinion that the emolument paid to the militiaman should be referred to, and classified as, a bonus

and not pay. In this way income tax would be deducted at source so that the bonus received would be free of any further taxation, a desirable feature in the minds of militiaman. It would eliminate preparation and processing of approximately 70,000 T4 forms annually by the Department of National Defence and the Departmemnt of Revenue. Further, it would reduce the present cumbersome paperwork to the completion of two simple forms.

The Commission also discovered that one of the several administrative burdens associated with this subject is that of unclaimed pay. To combat this evil it is suggested that all militiamen be required to sign a statement to the effect that when they fail to claim their entitlement within 30 days after the final pay parade of
Page 32 the pay year the monies are forfeited and can be placed in regimental funds for the benefit of the unit as a whole.

It is the opinion of the Commission that a revised pay system will provide an incentive to the individual militiaman to attend parades. An important by-product will be a substantial reduction in administrative paperwork.

Recommendation:

That the present system of per diem pay be abolished and a bonus system substituted with tax deducted at source.

SPECIAL EXPENSES

Officers, Warrant Officers and Senior NCOs, on assuming these appointments, must undertake mandatory financial commitments. They must provide themselves with a minimum scale of uniforms. This can easily exceed their total net income from Militia sources for a two year period.

The Income Tax Act recognizes that a person in his own business has unavoidable expenses in connection therewith and provides for the deduction, at a reasonable scale, when properly documented. The same principle should also apply to an individual who, on his own time, undertakes an important national duty which involves personal expenses. It is both logical and fair that serving militiamen
Page 33 should be allowed, as deductible expenses, financial outlays required by their respective units for uniforms.

Recommendation:

That reasonable expenses related to purchase of required kit appropriate to officers, Warrant Officers and Senior NCOs be an allowable income tax deduction.

CONTINGENCY ALLOWANCE

The Contingency Allowance exists for the employment of clerical assistance, the care and maintenance of arms, clothing and equipment and to promote the general efficiency of the unit.

The Contingency Allowance is related to the efficiency of the unit but the criteria for the total entitlement is based on effective strength. This produces two evils. First, because of the criteria, units are reluctant to declare a militiaman non-effective. Second, because of the efficiency element the Commanding Officer is never certain of his unit's entitlement until granted.

A more sound approach would be to allocate a basic amount to units which the Commanding Officers would clearly know as receivable and could plan accordingly. This amount should be paid at the beginning of the training season and should be complemented by a bonus based on the assessment of the all-over efficiency of the unit determined by annual inspection and performance at summer camps.

Recommendation: Page 34

That Contingency Allowance entitlement should be altered to consist of two payments:

(a) a basic amount payable to major and minor units at the beginning of the training season; and

(b) payment of a bonus in addition, to be determined by the over-all efficiency of the unit.

ARMOURIES

The control of armouries requires intelligent revision. The present arrangement, overburdened with administrative detail, is a full-time job for an officer. Commanding Officers should have more authority in making armouries available particularly in smaller communities for local functions. The matter of public liability, fire protection, and other like matters, should be established on a permanent basis so that armouries could be used for public purposes with the minimum of delay and administrative detail.

Recommendation:

That the present administrative system for control of armouries be revised with a view to making it more efficient and that a greater degree of authority be delegated to Commanding Officers in the sphere of public use of these facilities.

COMPOSITE STORES, ORDERLY ROOMS AND MESSES Page 35

During the course of our investigation we learned that some armouries housing several units were successfully operating composite stores and orderly rooms. There were instances where complaints were received but it was apparent that the complaints were related to local organization rather than to the principle. There are still armouries housing several units where there are separate officers' and sergeants' messes, QM stores and orderly rooms for each of the units. At the same time, there is a lack of adequate space for training requirement and men's canteens. In some cases private soldiers have no place to go after parade and proper recreational facilities should be provided.

Recommendation:

That, where savings in space and personnel are required, composite stores, orderly rooms and messes be established.

DISPOSAL OF SURPLUS ARMY BUILDINGS

The survey of ineffective units will result in Department of National Defence property becoming surplus. In large communities their continuing use may not be as important as in smaller centres.

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It is our opinion that good facilities should be leased to communities at a nominal rate with the understanding that they become immediately available in the event of an emergency. The name of the unit should be preserved in the redesignation of the building as a community or recreational centre. Responsible citizens in that community should become the custodians of public furnishings for which there is a continuing use.

In instances where disposal by sale of Army property is desirable, proceeds from such sales should remain under the control of the Department of National Defence. This would enable the Department to improve facilities where urgency requires, without the agony of securing funds in the annual estimates. There are instances where units have been promised new facilities for 25 years and the fact that these units still exist is quite remarkable. If funds were paid into a capital pool it would provide an additional incentive to the Department to dispose of and get a realistic price for surplus properties.

Recommendations:

(a) That, where practicable, facilities declared surplus be leased to communities at a nominal rate with the understanding that they become immediately available in the event of an emergency.

(b) That, in the case of facilities declared surplus to requirements and disposed of by sale, the monies resultant remain under the control of the Department.

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THE DEFENCE ASSOCIATION OF CANADA

The Commission has considered the role of the Conference of Defence Associations and its relationship to the Militia and has concluded that this organization can be a useful body in the future.

The Commission consider that much would be gained if the Conference of Defence Associations were re-designated "The Defence Association of Canada". This concept envisages the Association as a single body with delegates appointed on a representational basis from the existing units of the reorganized Militia. As such the Defence Association will become the voice of the Reserves and should be able to speak with greater force and clarity than can the present Conference of Defence Associations which is essentially a reconciling and discursive forum. It is further considered that representation be limited to serving officers of the Reserve or to honorary colonels and honorary lieutenant colonels, or equivalent appointments, and to serving presidents and secretaries of the Corps Association. The present practice of selecting delegates remote from close association with the Reserves tends to negate the usefulness of the organization.

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In conformity with this idea of only one body representative of the Militia is the suggestion that present allocations of funds made

separately to the Conference of Defence Associations and the Corps Associations be given, in total, to the re-designated Defence Association which would assume the control and responsibility for its disbursement.

With regard to Corps Associations, the Commission is of the opinion that they perform a useful function but should act in a subsidiary capacity only to the re-designated Defence Association. Additionally they should be self-supporting from membership dues.

Recommendations:

(a) That the present Conference of Defence Asociations be re-designated the Defence Association of Canada and function as such after the annual conference of Defence Associations in January, 1965.

(b) That delegates to the Defence Association of Canada be appointed on a representational basis from existing units of the reorganized Reserves and that this representation be limited to serving officers or to honorary colonels or honorary lieutenant colonels, or equivalent appointments, and to serving presidents and secretaries of Corps Associations.

(c) That Corps Associations be self-supporting.

(d) That the re-designated Defence Association of Canada be the recipient of the present total allocation of funds and that it assume the control and responsibility for its disbursement.

SOURCE OF FUNDS

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Many of the recommendations have attached to them an element of cost. This immediately raises the question of providing funds in order to put them into effect. The detail of cost reduction is contained in Part II of the Report, but it is possible to make an estimate of expected release of funds which will result from the reorganization. Consideration of the recommendations contained in Part I would be incomplete without some indication of funds which can be diverted from operation and maintenance costs.

The funds which may become available are estimated at $5,000,000. The sources which will provide this amount are the following:

Mil Group Headquarters	$ 700,000
Manning Depots	400,000
PSUs	100,000
Dental Units	100,000
Rentals	250,000
Armoury Maintenance	350,000
Call-outs	1,600,000
Changes in Pay and Reduction in Travelling Costs	1,500,000
Total	$5,000,000

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It is imperative that funds released through reduction in operating and maintenance costs should be retained for the purpose of

providing the Militia with the necessary financial support to meet the objectives spelled out by the Terms of Reference. This is consistent with the declared policy of the Department of National Defence and the only means of effectively re-establishing a Militia capable of undertaking the roles assigned to it within the Defence Policy.

In addition to the above there will accrue considerable savings in other areas from, for example, revised establishments, reduction in the number of units, COTC and PROs.

An efficient Militia is by far the least expensive method of providing a reserve for the Regular Forces.

IMPLEMENTATION

The Commission does not consider its responsibilities fully discharged with the presentation of the Report, but is prepared to assist in the effective implementation of the recommendations when approved. The Commission would like to state at this point that the Regular Forces have been cooperative in providing information,
Page 41 but are not in any way responsible for the conclusions. It is equally important that they should be divorced from the responsibilty of implementation.

Implementation, to be fully successful, must be carefully planned and under constant direction and control. The Commission submit that implementation must take cognizance of those recommendations concerning with reform and infusion of esprit as well as those concerned with increased efficiency and elimination of wasted effort. Concurrent implementation of recommendations in both categories is necessary to ensure the revitalization of the Militia.

A proposal for implementation, which is respectfully submitted for consideration, is as follows:

1. That the Commission should continue at the pleasure of the Minister and be available to review progress and to advise the Minister as required;

2. That the Secretary loaned to the Commission should remain seconded to be the Commission's representative during implementation. This officer has been closely identified with the Militia for 15 out of the past 19 years of his service career. In addition, he has been with the Commission during all interviews and during the discussions held at meetings. In consequence, he is thoroughly familiar with the intent of the recommendations;

3. That the Chairman be available to the Secretary from time to time for consultation as required.

Appendix A

THE COMMISSION ON THE REORGANIZATION OF THE CANADIAN ARMY MILITIA

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TERMS OF REFERENCE

The Militia has long fulfilled an historic role in the national security of Canada and its existence in peace has come to be regarded and accepted as a prerequisite to an effective mobilization base in the event of hostilities. Like all military forces, change to its roles and organization has been necessitated in the past to meet the needs of both changing strategical concepts and the priorities in the overall defence effort.

The Militia has been reorganized on four occasions since the First World War; following the Otter Committee in 1919-20, in 1936, in 1946 and again in 1954, when as a result of the Kennedy Report the Militia was reorganized into a number of Militia groups. It is noteworthy that each of these reorganizations involved conversion, amalgamation, dormantization and disbandment of units.

During the period 1946 to 1959 the roles of the Militia appeared to be obscurely defined. In 1959, although there was no change in organization, the roles of the Militia were changed by Order-in-Council PC 656 of 28th May to emphasize Civil Defence. In consequence, the total energies of the Militia were focussed, in the then unsettled international situation, on National Survival and training in the roles of support of the Field Force and Internal Security were relegated to an insignificant priority. Any consideration of the Militia as a factor in the "forces in being" concept was limited by this emphasis on the role of National Survival.

Studies conducted both within the Canadian Army and with our Allies, in the context of our international commitments and in the nature of the changed political-military world climate, have indicated that there is a definite and undoubted continuing military requirement for the Militia in the roles of support of the Field Force, Internal Security and National Survival.

To obtain a valid perspective of both national and informed military opinion as well as regional considerations in this matter it is most desirable to take advantage of the judgment of a group of Page 43 select gentlemen across Canada who have had considerable experience and background with the Militia. To this end, the Commission is given the task of recommending to the Minister of National Defence the best means of fulfilling the Militia requirements of the Canadian Defence Policy and the changes which should be made in the organization of the Militia to carry out its revised roles more efficiently and realistically.

The concept of the roles of the Militia is outlined in these Terms of Reference for guidance. Amplification of the requirements will be provided separately. In general terms an efficient and fit Militia is required to implement fully its part in the National Defence Policy.

In its primary role, there is a military requirement for the Militia in support of the Regular Army. The Emergency Defence Plan calls for the withdrawal of Regular Army personnel from the Defence of Canada Force and static installations to bring the Field Force up to war establishment. The Militia will be required to form

the framework for logistic and special units which are not provided in peace time. It is foreseen that approximately 9,000 Militiamen would be needed for these two tasks within this role.

The second role for the Militia is to provide a training force which will be required in time of emergency to support the Field Force. In this role, the Militia must provide for the immediate and effective mobilization of three training brigade groups to replace the Regular brigade groups despatched overseas and to provide the source of trained reinforcements for these forces overseas. In the initial stages this training force will be organized along the lines similar to the Field Force but with only training scales of equipment. It will be built up in stages in accordance with the situation existing at the time and it must also be available for the Defence of Canada and other tasks. Preliminary investigation reflects a requirement of approximately 18,000 officers and men.

The opportunity of training, equipping and committing Militia units overseas is unlikely in the early stages of a future conflict except for special units.

In its third role, Internal Security, the Militia will be required to provide trained officers and men for the guarding of Key Points, Internment Camps and like duties. It is estimated that there could be a requirement for at least 2,500 Militiamen to be immediately available for these tasks in time of emergency.

Page 44 Its fourth role will be to assist in fulfilling the Army's National Survival responsibilities. There is the need for special Militia units to be available and trained to augment the Regular Army to staff, on a 24-hour basis, various National Survival installations. For this requirement it is estimated that a total of 1,500 officers, men and women of the Militia will be needed.

Notwithstanding, it must be recognized that in the event of an all-out nuclear war all military forces would be employed on Survival operations. Therefore, the Militia with all available Regulars would be required to provide a framework for the conduct of Survival operations using large numbers of civilians.

Based on studies of the continued requirement for the Militia, it is concluded that a strength in the order of 30,000 officers and men is required to fulfill the above roles.

In order that the maximum benefit may accrue from the examination of this complex problem by the Commission, it is essential that the scope of their studies embrace certain definite aspects of the organization, the training and the administration of the Militia. The Commission is, therefore, invited to consider the followng problem areas related to the Militia in fulfilling its roles within the Defence Policy.

The study of the reorgazination of the Militia should determine the suitability of the present Militia group system in relation to the requirements of war and the training needs in peace as reflected in the Canadian Army plans. There are many facets which require the closest scrutiny such as the distribution of units on the basis of both population and regional military requirements, the distribution of units vis-a-vis accommodation to avoid the extreme of either too many or too few units to each armoury, and the distribution of units to eliminate unproductive competition for available manpower caused by an excess of units of the same corps in the same locality. Other factors to be considered are the availability and suitability of

capital plant, such as armouries, and the cost/effectiveness of all units. Conclusions should lead to recommendations on the numbers, types and locations of units of each corps that should remain in the Order of Battle of the Militia, and the ultimate selection of units and headquarters for conversion, amalgamation, dormantization, or transfer to the Supplementary Reserve.

The training of the Militia requires study of the need for constant physical fitness of all ranks for immediate service, the training assistance required from the Regular Army and appraisal of the best method of training that can be achieved in the present day pattern of living. Particular examination is needed of the effect of the five-day work week on training to determine the practicability and effectiveness of Local Headquarters training on weekends as opposed to conducting this training in the evenings thereby releasing armouries for courses during the week. Page 45

In the broad compass of administration within the Militia the problem, simply stated, is that far too much time is spent in day-to-day administration to the prejudice of time for training. Examination of this aspect of the Militia should include such matters as the use of composite stores and orderly rooms in each armoury, as well as permanent Regular Army assistance to the Militia, and should result in recommendations that may reduce the workload.

A reorganization of this magnitude is both important and complicated and must necessarily take into account many factors and considerations. It will be appreciated that detailed information has not been included in these Terms of Reference but rather a general statement of the problem and an outline of the problem areas. Any information that the Commission desires will be afforded by personal communication with the Chief of the General Staff and Branch Heads at Army Headquarters, General Officers Commanding, Area Commanders, Militia Group Headquarters and units, as well as by staff briefings at the convenience of the Commission. During the course of its deliberations, it is asknowledged that the Commission will also consult with the Conference of Defence Associations, through its Executive.

It is recognized that the Commission will critically examine each element of the Militia programme in terms of a more effective contribution to the National Security which demands combat readiness as its key note. It is expected of the Commission to recommend the selection of units to meet the aim of a reorganized Canadian Army Militia, methods by which this may be accomplished, as well as solutions to other questions relative to the place of the Militia in the defence of Canada.

Appendix B

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LIST OF BRIEFS

The following is a list of unsolicited briefs received by the Militia Commission from public-spirited citizens. Many other briefs were submitted by serving personnel of the Militia and the Regular Forces, either as individuals or in their official capacity. Only those which deal with the reorganization generally are included in this list.

George Addy, Esq., Ottawa, Ont., *Role of the Militia*; (statement on the roles for the Militia and the order of priority which should be followed).

W. R. Buchner, Esq., London, Ont., *Reorganization of the Militia*; (a specific review of the Militia concept in relation to the maintenance of law and order in time of emergency).

L. S. Caughill, Esq., Campbellford, Ont., *Militia School of Canada;* (proposal outlining the requirement and establishment of a central training school to run specific courses applicable to the Militia).

Brigadier M. E. Clarke, ED, CD, Peterborough, Ont., *Reorganization Canadian Army (Militia)*; (assessment of the roles of the Militia and constructive suggestions for accomplishing the task facing the Militia Commission).

G. L. Chatterton, MP, *Canadian Scottish Regiment (Princess Mary's)*; (regarding the concern of the people in the Vancouver and Victoria area with respect to the future of the Regiment).

G. J. Colwell, Esq., Halifax, N.S. through Gerald A. Regan, MP, *Princess Louise Fusiliers* (facts concerning the unit with an appeal that it be maintained within the Militia structure).

Lt Col J. M. Coupland, CD, Montreal, PQ, *Militia Administration*; (an examination of the state of Militia administrative procedures with recommendations for improvements).

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Jack Davis, MP, *Irish Fusiliers of Canada*; (enquiry as to the future status of the Regiment and enclosing a brief on the history and achievements of the Irish Fusiliers of Canada).

Brigadier W. P. Doohan, OBE, CD, London, Ont., *Establishments*; (development of the theory that units should have an establishment containing a training component and a reinforced component).

Lt Col Ian Douglas, Toronto, Ont., *Reorganization of the Militia*; (an analysis of the problems facing the Militia today and suggestions for its reconstitution).

Roy Farran, Esq., Calgary, Alta., *Guerrilla Warfare*; (a proposal advocating that Reserve units be trained for a guerrilla role).

Frank J. W. Fane, MP, *Vegreville Armoury, Alberta*; (concerning the future of the Armoury).

H. J. Henderson, Clerk-Treasurer, Grey County, *Grey and Simcoe Foresters*; (a resolution from the County of Grey endorsing one from the County of Simcoe requesting that the Grey and Simcoe Foresters be continued as a Militia unit).

W. A. Hack, Clerk-Treasurer, Midland, Ont., *Grey and Simcoe Foresters*; (resolution by the Town of Midland requesting that the unit be preserved).

J. W. Langmuir, Esq., Brockville, Ont., *The Brockville Rifles*; (in support of the continuance of the unit).

Lt Col B. J. Legge, ED, Toronto, Ont., *University of Toronto, UNTD, COTC, RCAF*; (concerns history, purpose, training plans and operations with suggested areas of economy).

Colonel M. V. McQueen, OBE, ED, CD, Dundas, Ont., *Plan for a Revitalized Militia*; (advocates the formation of a number of mobile, motorized, composite defence columns across Canada).

Colonel C. C. I. Merritt, VC, ED, QC, Vancouver, B.C., *Reorganization of the Militia*; (a general critique with proposals on the future role of the Militia).

The Honourable J. Waldo Monteith, MP, *Perth Regiment*; (representation on behalf of the continuance in being of the Perth Regiment).

Sherwood H. Rideout, MP, *8th Canadian Hussars (Princess* Page 48
Louise's); (concerning the future of the unit).

The Honourable Louis J. Robichaud, Premier of New Brunswick, *8th Canadian Hussars (Princess Louise's)*; (transmittal of a brief on this Regiment by Edgar Dixion, Sackville, NB).

P. B. Rynard, MP, *Grey and Simcoe Foresters*; (enquiry as to the future of the unit).

Lt Col J. Philip Vaughan, CD, Halifax, NS, *Royal Canadian Engineers*; (presentation by the Military Engineers Association of Canada regarding Militia Engineer Squadrons).

Eric Winkler, MP, *Grey and Simcoe Foresters*; (enquiry as to the future of the unit).

General F. F. Worthington, CB, MC, MM, CD, Ottawa, *Views on the Militia*; (containing suggestions for improving the quality of the Militia).

Lt Col F. S. Wotton, CD, Oshawa, Ont., *Reorganization of Militia*; (a proposed method of reorganization along service battalion lines).

APPENDIX B

Note—Original pagination of this Report is indicated in the margin.

REPORT OF THE MINISTERIAL COMMITTEE ON THE ROLE AND ORGANIZATION OF THE ROYAL CANADIAN NAVAL RESERVE

Letter of Transmittal

Ottawa, Ontario.
15th February, 1964.

The Honourable Lucien Cardin, M.P.,
Associate Minister of National Defence,
Ottawa, Ontario.

Sir:

At the 1964 Conference of Defence Associations a resolution was passed (copy annexed) requesting the setting-up of appropriate committees of the Conference to enquire into and bring forth recommendations directed to the structure, operational capability and establishment of the Royal Canadian Navy Reserve and the Royal Canadian Air Force (Auxiliary). Pursuant to this resolution and after discussion on the floor of the Conference and with the Executive of the Conference, committees were duly established in pursuance of your letter of the 17th January, 1964, to Lieutenant-Colonel LeSueur Brodie, E.D., then chairman of the Conference of Defence Associations. As a result the committee for the Royal Canadian Naval Reserve was established and consisted of the following members:

Commodore Robert I. Hendy, V.R.D., C.D., RCNR(Ret'd) Chairman
Captain L. B. McIlhagga, C.D., RCNR(Ret'd)
Captain W. R. Inman, C.D., RCNR(Ret'd)
Captain A. W. Ross, V.R.D., RCNR(now Ret'd)

In connection with the work of the Committee, we wish to emphasize that where comments of a critical nature appear in the presentations to the Committee that these were done in the best of faith to ensure an effective and viable Reserve Force. Presentations were, for the greater part, made by officers of the Naval Reserve whose interest in the welfare of the Navy as a whole is unquestioned but who perhaps have not had an opportunity to air their views in the circumstances provided by the Committee heretofore. We feel bound to point out that the fact where criticism appears in some presentations this was not dictated by any lack of loyalty but rather in the hope of ensuring that the Committee's report will be useful and objective. It would seem that some consideration might be given to the establishment of a continuing body to ensure that the views of experienced persons outside the Regular Service who are sincerely concerned with matters of national defence may be heard. In this regard the Conference of Defence Associations would seem to be admirably suited, being composed of personnel from all three Services. We feel we should make this suggestion as perhaps a collateral

observation not directly connected with the purposes behind the formation and work of the Committee for such consideration as you may see fit.

Due to the great interest evinced in the establishment and work of the Committee, written briefs have been received up until the final draft of this report. It has, therefore, not been possible to comment adequately on all this material which has however been indexed and forms appendices to the report. Further material is expected after the presentation of this report, which will be forwarded for such action as may be appropriated. The Committee is aware that there are many differing opinions contained in the written material but in summarizing our findings and recommendations we have endeavoured to weigh the presentations given both orally and by written brief. The number and diversity of the many suggestions received certainly indicate room for further examination to which the comments in the next preceding paragraph may be deemed germane.

In conclusion, the Committee wishes to express its appreciation for the confidence that you have placed in it. It is hoped that notwithstanding the shortness of time and in perhaps some cases the cursory manner in which many topics have had to be dealt with that the report will be of value and assistance. We wish to express our appreciation to you, your assistant, Brigadier H. E. T. Doucet, members of your staff and personnel in all Commands of the Navy who gave us much assistance, thereby facilitating our work and deliberations. This Committee has now therefore completed its work and respectfully presents the annexed report for your consideration.

We have the honour to be, Sir,

Your obedient servants,

Robert I. Hendy (Chairman)
Liston B. McIlhagga (Member)
W. Robert Inman (Member)
Andrew W. Ross (Member)

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REPORT OF THE MINISTERIAL COMMITTEE ON THE ROLE AND ORGANIZATION OF THE ROYAL CANADIAN NAVAL RESERVE

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3. January 1964 Issue of Navy League (reference at Page 15)
4. Proposed RCNR Complement

5. Complement/Manning of Divisions deleted
6. RCNR Personnel statistics
7. Breakdown supplied by COND of Expenditures relating to Naval Divisions—1 April 1963 to 31 March, 1964
8. UNTD Promotions 1960-1963
9. RCNR Active Lists Complements
10. CNP Memorandum, NSS 2200-64 Pers (N) "M" dated 28 November 1963

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1. CO, HMCS PREVOST
2. NOAC, London and district
3. Captain G. A. MacLachlan, RCNR (Ret'd)
4. UNTD, Western University
5. NOAC, Sarnia Branch
6. NOAC, Windsor, Ont.
7. NOAC, Windsor, Ont.—Supplement by RADM W. Hose, CBE, RCN (Ret'd)
8. CO, HMCS STAR
9. Kitchener Tender to HMCS STAR
10. HMCS YORK—LCDR F. M. McKee
11. CO, HMCS DISCOVERY
12. Reserve Pay Procedure
13. IBM Data Processing
14. Chief and Petty Officers, HMCS DISCOVERY
15. Assistant Area Officer Sea Cadets, Pacific
16. Navy League of Canada, B.C. Mainland Division
17. NOAC, British Columbia
18. UNTD, HMCS DISCOVERY
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20. CO, HMCS MALAHAT
21. Chief and Petty Officers' Association, Victoria
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23. CO, HMCS NONSUCH
24. CO, HMCS TECUMSEH
25. Chairman, Divisional Group, Naval Reserve Consulting Group, Calgary
26. CO, HMCS QUEEN
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37. XO, HMCS DONNACONA
38. Staff Officer, DONNACONA
39. Supply Officer, DONNACONA
40. HMCS DONNACONA—LCDR Williams
41. CAPT D. F. Mason, RCNR (Ret'd)
42. CDR W. D. Moncur, RCNR (Ret'd)
43. Navy League of Canada, Montreal Branch

44. CO, HMCS DONNACONA
45. Brief by CAPT Mason and CDR Moncur
46. CO, HMCS UNICORN
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48. HMCS CATARAQUI—LT Slack
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50. CO, HMCS SCOTIAN
51. NOAC, Halifax Branch
52. HMCS SCOTIAN—Proposed RCNR Pay System
53. CO, HMCS BRUNSWICKER
54. CO, HMCS CABOT
55. CO, HMCS QUEEN CHARLOTTE
56. CO UNTD, QUEEN CHARLOTTE
57. NOAC, PEI Branch
58. CO, RCSCC Kent
59. CO, NLCC Hyndman } CHARLOTTETOWN
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61. CO, HMCS CARLETON
62. Navy League of Canada, Ottawa Branch
63. NOAC, Ottawa
64. LCDR Gaunt, RCNR, Lecturer at CMR
65. NOAC, National Group
66. Navy League of Canada, National Secretary
67. SNO, Toronto Area
68. NOAC, Toronto
69. NOAC, Montreal
70. Navy League of Canada, N. Alberta and Edmonton Branches
71. NOAC, Edmonton

XIV. Minutes of Hearings at:

(*a*) London
(*b*) Hamilton
(*c*) Toronto
(*d*) Victoria
(*e*) Vancouver
(*f*) Edmonton
(*g*) Regina
(*h*) Winnipeg
(*i*) Montreal
(*j*) Halifax (not yet received)
(*k*) Ottawa (not yet received)

I—FACTORS RELATING TO THE FORMATION AND OPERATION OF THE COMMITTEE

Page 1

Because the Committee was formed on short notice, time did not permit extensive preliminary research and it was not practicable to visit every Naval Reserve Unit or Centre, however either written or oral presentations were made to the Committee from all but two centres where RCNR units are located, namely Prince Rupert and Quebec City. Those units which were visited were considered to be representative and opportunities were given for representations to be made from persons or organizations in centres other than those visited by the Committee. The Committee would like at the outset to express its appreciation to all who took the trouble to prepare material for submission and who appeared before it. The high degree of interest evinced in the future of the Royal Canadian Naval Reserve (RCNR) was in the Committee's opinion, the most tangible evidence of the importance which this group plays in the defence establishment of the country. This constitutes assurance, that there are in this country many persons actively interested in this aspect of our national life. The opinions and submissions made before the Committee by the various persons and organizations were on the whole of a constructive nature and where written submissions were presented, these have been included in this report as Appendices which have been indexed separately. Much thought and study obviously went in to the preparation of the material presented to the Committee which greatly facilitated the work in the preparation of this report. In addition to the many experienced voices which the Committee was privileged to hear in respect to the role and organization of the RCNR, the Committee feels it is only reasonable to point out that the Committee itself constitutes an accumulated service in the RCNR of some one hundred years and the members of the Committee have probably unconsciously in some cases, drawn on their own experience in arriving at opinions where perhaps sufficient material of an appropriate nature was not forthcoming in the course of the hearings. In this regard the members wish to emphasize that they have taken an objective and unbiased approach to the matters under review.

Terms of reference for the Committee were outlined in the letter of the Honourable Associate Minister of National Defence on the 17th of January, 1964 to Lieutenant-Colonel LeSueur Brodie, E.D., Chairman of the Conference of Defence Associations in the following words:

> The Committees have been requested to put before the Associate Minister of National Defence, their views concerning the future role and composition of the RCNR and RCAF Auxiliary. They have also been requested to propose alternatives to the presently planned reduction if in their views such alternatives are preferable, but they should bear in mind that the equivalent savings of the direct and indirect costs of the RCNR and RCAF Auxiliary must be achieved.

It early became apparent in the hearings that some material would be presented which might not directly relate to the role and organization of the RCNR and where contained in written briefs this material could not be rejected. The Committee also felt that

in view of the instructions that equivalent savings in direct and indirect costs of the RCNR must be achieved, there was a wide area where certain costs were incurred in respect to other items in the Naval appropriation which might or might not be considered as strictly attributable to the RCNR but were in fact being charged to it. Putting it another way the Committee felt that some latitude had to be given in hearing submissions on the matter of costs and operation which, if implemented, would result in obtaining a better result for the money being spent for Naval defence and its particular component as comprised in the RCNR.

On the opening of each session of the Committee, the Chairman outlined to those present the terms of reference summarized in the letter of the Honourable the Associate Minister of National Defence of 17 January 1964, the background of the Constitution of the Committee through the Conference of Defence Associations and read the Naval Board Minute of 9 November 1960 outlining the role and tasks of the RCNR as follows:

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The Role

To provide Naval personnel and facilities in support of the RCN.

The Tasks

(i) To provide personnel who will be readily available to activate or augment facilities as required by the Defence plans of the senior officers in chief command, including the following:

(*a*) N.O.I.C. Organization including harbour defences and logistic support bases;

(*b*) Maritime headquarters;

(*c*) Naval control of shipping organization;

(*d*) Communications.

(ii) To maintain an organization capable of providing RCNR personnel for increased support of the RCN ashore and afloat in time of emergency.

(iii) To provide personnel, not engaged in the foregoing tasks, to assist in survival operations.

(iv) In peace time, to provide naval facilities, naval representation and contact with the civilian population.

The announcement of the establishment of the Committee was made by a general message to all Naval Divisions and repeated to the Flag Officers of either coasts by CANDIV 009/64 as follows:

A Ministerial Committee to discuss the reorganization of the R.C.N.R. has been established. The Committee comprises of CMDRE R. I. Hendy, RCNR(Ret'd) as Chairman and Captains L. B. McIlhagga, A. W. Ross and W. R. Inman as members.

2. The Committee will receive written briefs and hold hearings during the next four weeks in centres across Canada, and report to the Minister of National Defence by Feb. 15. Facilities are to be provided by Naval divisions as may be required to hold hearings in centres to be visited and as the

Committee will advise. Written briefs in quadruplicate may be sent to the Chairman, suite 300, 590 Jarvis St. Toronto. Due to the limited time available, this matter requires prompt action.

3. Divisions may pass this information to organizations which would be considered as interested either in presenting a brief or in appearing before the Committee.

and the Chairman of the Committee by letter to the various Naval Reserve Consulting Groups being components of the Conference of Defence Associations advised the 22 divisional groups of the establishment of the Committee by letter dated the 21st of January, 1964 (Schedule 1). The itinerary with respect to the hearings of the Committee were outlined in the last mentioned letter as well as by YORK's message 212010Z, January as follows:

Reference CANDIV NINE from Chairman Committee on RCNR. Hearings will be held as follows all times local read in two columns.

Prevost 251030Z Jan. Page 3
Star 26100 Jan.
York 261500 Jan.
Discovery 290900 Jan.
Malahat 301400 Jan.
Nonsuch 310900 Jan.
Queen 010900 Feb.
Chippawa 021000 Feb.
Donnacona 061000 Feb.
Scotian 081000 Feb. and 091000 Feb.
Carleton 120900 Feb.

2. Presentations from the following centres which will not be visited by the Committee may be made at nearest convenient point of divisions in para one read in two columns

Windsor, Kitchener
Prince Rupert, Calgary
Saskatoon, Kingston
Port Arthur, Quebec City
St. John, St. Johns
Charlottetown

3. Chippawa pass to Capt McIlhagga Carleton pass to Capt Inman.

A subsequent amendment to the itinerary was made by including a visit to Charlottetown on the 9th of February, 1964 in place of an extra day in Halifax. This was considered to be well worth while under the circumstances.

As a background and to obtain general information to assist the Committee in its hearings it was arranged for the Committee to consult with the Commanding Officer Naval Divisions on the 24th of January, 1964, which really constituted the first meeting of the whole Committee and the entire day was spent with Commodore Paul D. Taylor, DSC, CD, RCN, the Commanding Officer of Naval Divisions and his staff. The Committee would like to emphasize its appreciation for the assistance and support that it received on this occasion from Commodore Taylor and his staff who made themselves available and provided information and assistance without which the Committee's

work would have been severely handicapped. Following the meeting on the 24th of January, 1964 at COND Headquarters in Hamilton the Committee held meetings in the following centres:

25th of January, London, Ontario.
26th of January, Hamilton and Toronto.
29th of January, Vancouver.
30th of January, Victoria.
31st of January, Edmonton.
1st of February, Regina.
2nd of February, Winnipeg.
6th of February, Montreal.
7th and 8th of February, Halifax.
12th to 15th of February, Ottawa.

Most of the time in Ottawa was utilized in the completion of this report.

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II—BACKGROUND OF THE RCNR WITH HISTORICAL COMPARISONS

As a background to the organization of the RCNR and perhaps to explain the approach by some of the submissions made to the Committee insofar as the capability of the reserve is concerned a brief outline of the history of the RCNR and its predecessors as reserve units, the RCNVR and RCNR might be of value. The RCNVR and RCNR which were the two reserve components of the RCN were established in the mid '20's' as a support for the fleet by providing at modest expenditure a group of personnel available with training in Naval matters. At this time the regular RCN was a force about equal in number to its reserves and the total emergency requirements for the Navy were envisaged to be small. Thus the strength of the two reserve forces was just under 2000 officers and men on the outbreak of the war in 1938. Apparently no figures exist as to the numbers actually on active service on the declaration of war by Canada on the 10th of September 1939 but it is presumed that substantially all the 2000 reservists were by then on active service in one form or another. During all this time the Naval capability measured in ships was limited to a few destroyers, which even in 1939 only totalled six, plus a few minesweepers and there was no reserve fleet or other vessels with the exception of some RCMP marine section vessels available for Naval service on the outbreak of war. Canada was largely an agricultural nation and as stated above any naval commitments foreseen were minimal. The events of World War II changed this picture and today by virtue of alliances Canada has a substantial Naval commitment and contribution to make to NATO and its allies. Thus today with the far greater complexities which are inherent in modern war at sea the RCN now supports an establishment of about 21,000 and some 50 ships ranging from an aircraft carrier down. The planned active reserve establishment is to be 2,400 officers and men plus UNTD cadets under training at the universities, the whole as a back-up or support for the regular force. The Committee is aware of the fact that any planning for war must take into account certain probabilities and factors but it does not seem realistic that only 2,400 active list reservists would be on immediate call in event of emergency to back up a fleet of 21,000 whereas in 1939 the strengths of the two

components of the service were approximately equal. Later in this report it will be demonstrated that this figure of 2,400 is inadequate. The material resources and commitments then and now are in no way comparable. At the present time and in the event of emergency, many bases which for some months or years after the commencement of hostilities in 1939 were not activated would presumably be activated forthwith.

In contrast to 1939 when there were relatively few vessels with any military capability in the service of the Government, there are now many vessels of the Department of Transport, RCMP, Coast Guard and Hydrographic Survey which would be militarily useful. The problem of manning these ships for hostilities even if most of their crews entered the Naval Service would create further demands for Reserve personnel, especially in the realm of Communications and Weapons.

Shortness of time precluded more than cursory information being obtained by the Committee on the role and resources of the ships of these various services in event of emergency which combined with ships held in reserve by the Navy constitute a substantial potential naval capability in the event of war. While many of these may not have any built-in capacity for weapons at present, this should not be ruled out as a possibility, and in the case of some they are eminently suitable to perform Naval tasks with very little conversion of re-equipment; for example, the ice-breaker Labrador, which was originally designed as a Naval vessel. Taking the experience of 1939 therefore, as some criterion in this regard there would seem to be a much greater potential requirement for persons with technical Naval training to augment even the present crews of these ships if all the personnel were enrolled in the active force in the event of an emergency. Thus apart from the fact the 2,400 strength figure proposed for the Reserve permits fulfilment of the mobilization needs of the Navy as set forth in the Emergency Defence Plan, the other factors referred to above with respect to Coast Guard and RCMP vessels do not seem either to be taken into account or have perhaps been disregarded. The same holds true with respect to the newly constituted Reserve Fleet and Port security requirements. The planned strength of the RCNR should take these added factors into account. The Committee also feels it is worthy of comment with respect to the history of the establishment of the Naval Reserve, despite the fact that during the 1930s when funds available for defence were much more restricted than at present and the commitments of the Canadian Navy were considerably below what is now anticipated, yet during this period increases were authorized in the RCNVR, and new units were established in such centres as London, Port Arthur, and Kingston, Ontario and a second unit in Montreal, Quebec. These are in addition to overall strength increases in other units, notably Winnipeg, Montreal and Toronto, which increased from 100 men to 150 men each by the time of the outbreak of World War II. During this time cutting the Reserve was not considered yet the Regular force had difficulty. An article in the June 1962 issue of the Atlantic Advocate is of interest in this context. (Schedule 2). Page 5

It should also be pointed out that these establishments were on a much less elaborate basis than at the present but in the opinion of the members of the committee who had experience with the pre-

war reserve units the esprit de corps was high and the standard of training was, in comparison with the requirements of those days, considerably higher than the attainment of today's Reserve. Engagements were completed to a greater extent and turn-over in the units was at a low figure with many units carrying a waiting list of aspiring recruits. Again, although no submissions were made to the committee on this particular field it would be the observation of the committee on the experience of its members that a return to the ideals of service which motivated many of the reserve personnel in those days when pay and other benefits were either negligible or completely absent would be of great benefit both to the country and to the efficiency of the reserves generally. The precise method of obtaining this situation or restoring it is not completely clear but it would seem that the solution might lie partly in continued emphasis by the Government and especially the Department of National Defence of the importance of the reserve and the necessity for everyone to do his "bit" so that the reserve serviceman will in effect feel that his efforts are not only well intentioned but greatly appreciated and something for which the country is truly grateful. The committee cannot help but comment that Canada, like many other modern democracies, tends to downgrade the status of the serviceman in peace time with the result that it becomes harder to create a solid foundation for possible emergency, which is a factor to be taken into account under the present conditions of international politics.

The importance in which the Reserve forces of other countries are held is demonstrated by an Article on the U.S. Marine Corps Reserves in the January issue of the U.S. Navy League publication. (Schedule 3 at page 15). Also the Brief of the Naval Officers Association of Canada, Victoria, B.C. is especially significant. (Appendix).

III—BASIS FOR THE REQUIREMENT FOR THE RCNR

Operational commands of the RCN expressed their assumption that Reserve personnel would be available and such were required in the event of emergency and it was based on numbers greater than would appear to be available under present plans.

The Committee therefore proceeded on the basis that if ways and means can be found to train and have available a larger number of Naval Reserves than was planned this would be in keeping with mobilization requirements under present planning and everything should be done to try and increase this pool of manpower through the best use of the funds available. Other activities which might not be as essential and perhaps on a cost basis not as productive were also considered. This is without regard also to the desirability of maintaining units in large centres of population where they have been traditionally established and the value of the "presence" of Naval representation in these centres. However account should be taken of the fact that some units now being considered for closing are in comparatively new quarters designed especially for the operation of a Naval Reserve unit and can be operated more efficiently from an overhead and maintenance point of view than some of the other units which are in older quarters and carry heavy maintenance costs.

IV—COMMENTS ON REDUCTIONS PLANNED FOR THE RCNR Page 6

Insofar as the actual reduction of the Naval Reserve is concerned the committee is also mindful of the fact that this reduction affects personnel who are already trained or are in the process of being trained and this is not merely a re-adjustment of what might be called paper strength of authorized complements which are not contributing any effective personnel. Thus perhaps in comparison to the militia situation the Naval Reserve will have to release trained men to reach its new complement. This comes about by reason of closing divisions and personnel from which will then be lost insofar as any immediate availability for service is concerned as well as removing their local focal point at which they could assemble in emergency. It is recognized that it becomes uneconomic after a certain point to maintain large and elaborate quarters for small numbers and there was plenty of evidence insofar as the Committee's hearings were concerned that greater utilization of some buildings occupied by RCNR units could be made. Greater utilization by the Department of National Defence would of course serve to reduce the monies appropriated to overhead and maintenance of Naval Reserve units for the Naval Reserve alone.

It is understood that in arriving at decisions to close out certain Divisions four factors were considered as follows:

1. Productivity;
2. Value to EDP;
3. Representational value, and
4. Assessed effectiveness.

While the Committee are confident that due consideration was given to these factors in respect to the Divisions ordered to be closed it does seem that there is some room for re-assessment in the light of the Committee's information about the mobilization requirements for the Reserve and the adequacy of the planned strength to meet it. When one is considering the fulfilment of a plan on mobilization another factor that is availability is of the utmost importance. By this is meant the possibility that the people who are needed are in or can get to the places where their duty will require them as well as being able to leave their civilian jobs. In the early stages of an emergency there may be a severe strain on transportation arrangements, to say nothing of the need to find suitable accommodation and provide people with good local knowledge. Thus while the Divisions on the coasts were Naval control is to be set up such as in the Halifax and Esquimalt areas may add little to the "Navy's presence" in the sense of day-to-day representation, these Divisions do provide the personnel to take up apopintments in NCSO and NOIC staffs and can do so with little or no transportation requirement whatsoever. This becomes more pronounced in the case of Prince Rupert and Charlottetown where there is no other Naval establishment but the occupancy of Naval quarters in these two cities means that with a minimum of effort the staffs required for these functions can be established and go to work. This has a double value insofar as the undesirability of transporting people in the early stages of a build-up is concerned as these people can be put on 24-hour alert in their cities and thus constitute a "force-in-being" for these particular functions. Observing that in the case of Halifax and Victoria the

physical requirements to maintain the Reserve unit are relatively small in relation to the numbers available, it would seem the height of economy and good sense to maintain Divisions in these areas. In the case of Prince Rupert and Charlottetown however the additional factor of maintenance of Naval establishment weighs very strongly with the continuance of units there and full weight should be given to this. It may be that sharing of accommodation with other service units can be arranged to reduce the rateable cost to the RCNR budget and this is a matter which has been dealt with in other parts of the report. But in summary the desirability of maintaining some Naval presence for emergency purposes in the coastal areas would seem to be established.

V—THE ROLE AND TASKS OF THE RCNR

(i)—*General Support of the RCN*

A consideration of the role of the RCNR as contained in the Naval Board minute quoted above, indicates there are two aspects, one is the provision of Naval Personnel and secondly to provide facilities in support of the RCN. Much of the material placed before the Committee related to the question of the facilities being provided in support of the RCN through Naval reserve establishments,
Page 7 notably the Naval divisions located in various major centres throughout Canada. In regard to the personnel the Committee is of the opinion and as already indicated, has proceeded on the basis that as result of information supplied to it the planned strength of 2700 RCNR personnel (inclusive of the UNTD Cadets) will not be adequate to meet the possible mobilization requirements of the RCN even on the basis of the present planning of a period of hostility of very short duration. Further, with respect to facilities, it appears that many of the facilities and the resources which enter into the support of these facilities are not properly chargeable to the establishment of a purely reserve unit designed to produce reserve personnel. That is to say, that it was felt that fleet establishments as they are known and which include Naval divisions could in many instances be much less elaborate in their organization and manning if the needs of the RCNR and support of its administrative and logistic requirements alone were being provided.

The tasks as outlined in the Naval Board Minute are realistic and suitable. There are particular tasks or what might be called functions in support of the various tasks such as underwater or clearance diving and Naval aviation which were the subject of particular presentations before the Committee and of course would fall under item 2 of the tasks outlined in the Naval Board Minute.

In accepting the role and tasks of the RCNR as in the Naval Board Minute as a framework on which to build the organization of the RCNR, it should be pointed out that the officers and men of the RCNR consider themselves an integral part of Naval Forces ready to discharge the Commitments of Canada. They do not consider the Reserve as a separate Navy. It is only for the purposes of the Committee's analysis, especially with respect to financial matters, that perhaps the opposite inference may be drawn. This is emphatically not the case. The pride of being associated with the Navy is strong throughout the Naval Reserve. There has, however,

been a noticeable drop in morale and esprit de corps in the Reserve as a consequence of the announcement of the disbanding of Divisions some of which have been established for upwards of 40 years. This is combined with the regret that there was no opportunity before the establishment of the Committee to make representations and suggestions for alternative ways of achieving the necessary economies without injuring the basic organization of the RCNR. It is hoped that in considering this report due regard will be given to the fact that the Committee's establishment was evidence of good faith to have this matter thoroughly reconsidered and notwithstanding that the Committee has in some respects been critical of certain measures that have been taken or policies adopted it is hoped that this will not have any influence in determining the action to be taken on this report. There was a feeling that perhaps the announced reductions were the first step in the total elimination of the Naval Reserve and this has caused serious misgivings in the hearts and minds of persons not only on the Active List of the Reserve at the present time but many other informed and interested people who are concerned with the welfare and defence of Canada. Budgetary conditions are recognized as determining what can be established in respect to money available but it was the impression of the Reserve Commanding Officers that while a reduction was contemplated it would have been effected by an across-the-board reduction rather than the elimination of any specific unit. For purposes of efficiency and discharge of the role of the Reserve the Committee feels that this approach is still a valid one. It should be pointed out that even after the presently planned reductions are effected the RCNR will have a strength of about 2,400 spread in 22 Divisions and this is hardly in excess of the numbers in 1939 in the same number of units with the exception that there is now one tender at Kitchener not in existence at that time. While the Committee does not agree that a figure of 2,400 is an adequate Reserve to meet present requirements yet this figure would still permit units of larger size in all centres than were allowed in 1939 and with economies in sharing buildings or seeking less expensive quarters a tactic which has been well demonstrated as being feasible in at least one place, namely Kitchener. It should be possible to maintain the existing units and reduce across-the-board through attrition instead of eliminating many units whose trained personnel will be difficult to replace for some years. While the Committee does not wish to dwell on the matter of morale extensively we feel it is pertinent to point out that the attitude of the Reserve in the face of the announcement of the present plan was that they had been abandoned by the RCN. It is against this background however that some rather bitter opinions were expressed to the Committee as to the thinking behind the present plan. This of course is much to be regretted but the Committee would be less than objective if it did not comment thereon as this is a factor which can be important in the future from the point of view of efficiency and morale of the Reserve which is to continue. Page 8

(ii)—*The RCNR as a Force-In-Being*

The Committee is aware that present defence planning emphasizes the existence of forces-in-being that are readily available for service as may be required. It would seem that if this

availability can be achieved with maximum economy that the goals of present planning to reduce budgetary economies without prejudice to potential would be achieved. Under the National Defence Act, Section 15, the Canadian Forces are defined and under Section 16(3) the Reserve components are included in the overall establishment of the Canadian Forces. Under Section 32(1) of the Act the Governor-in-Council may call out any component of the Canadian Forces on Active service either for emergency or in support of the United Nations Charter, North Atlantic Treaty or other collective defence arrangements. Further, under Section 35(2) in the case of national disaster the Reserve Forces may be called out for active duty. It would seem, therefore, that the Active component of the RCNR can, insofar as its capabilities extend, be considered as available under existing legislation for full-time service and an examination of its capabilities in this regard is therefore pertinent.

The Committee, through the experience of its members and also as a result of representations made to it, can report that in many instances Reserve Forces have met immediate requirements in line with the foregoing commitments. While in most cases these have been in the realm of such national disasters as the Red River floods in Winnipeg, Hurricane Hazel in Toronto and Fraser River floods in British Columbia to name a few, there are also frequent instances where appropriately trained Naval Reservists have rendered service which is not only in the field of giving comfort and assistance but also shows direct economic return. Examples are the employment of Reserve Air Squadrons in search and rescue and clearance divers in rendering assistance to ships where civilian facilities are either not available or appropriate. Thus in recent history at HMCS YORK the clearance divers have cleared propellers of men-of-war fouled by wire, recovered aircraft sunk through thin ice and carried out bottom surveys of hulls thereby avoiding drydocking. These are services made available literally by a single telephone call and apart from economic value serve to enhance the stature of the Defence establishment as a whole in the eyes of the public.

The Committee is of the opinion that, as indicated elsewhere, Reserves could have been equally useful in the event that their services had been called upon in connection with the Cuban incident which under present conditions would seem to be more likely to be repeated than an out-and-out declaration of hostilities between the free world and the communist bloc.

The cooperative support of secondary military powers (although individually small compared to the strength of the United States) forms a not inconsequential adjunct to forces-in-being of the leader of the free world. This cooperative support should strengthen the hand of the U.S. in leading from strength in the crises that may develop and which apparently may result in a nuclear stand-off situation with conventional forces an important part.

In this concept a strong and well-trained Reserve can play an important part as being available on short notice but while not required is relatively inexpensive to maintain.

The Commitee is therefore of the opinion, while recognizing that economies must be effected in the defence budget, that perhaps the proportion of the cut now being directed toward the Naval Reserve component thereof should be reviewed.

(iii)—*Representation and Presence* Page 9

This relates to the fourth item of the tasks of the RCNR. It is appreciated that these are most intangible factors but they cannot, in the opinion of the Committee be entirely disregarded for two reasons:

(1) providing a base to maintain contact with the civilian population by bringing the story of the Naval service to communities remote from the sea, and

(2) acting as a centre or rallying ground for groups which are interested in the Navy and which would be expected to lend encouragement to recruiting.

It is observed in particular that three of the units being closed are in provincial capitals where they have traditionally formed the naval representation since their establishment.

While the provinces have no direct responsibility for the Reserve Forces, nonetheless a naval presence in a focal point of intermediate government with its associated concentration of provincial members and civil servants drawn from an entire province cannot help but be a reminder to that province as a whole that in the defence of Canada the Navy plays a vital role—a role reflected by its presence across the country. Putting it in the bluntest possible terms, if the Naval Reserve were to concentrate on either coast, which from the point of view of availability might be the most advantageous, the greater part of the country would have no cause to be reminded of the Navy and its purpose. This, in the opinion of the Committee, would be most unfortunate. While it is impossible to put a dollar value on these intangibles, they represent a valuable public relations element and rather than the Reserve being charged it should be given credit for its contribution under this heading. The Committee is not suggesting public relations should become the end-all of the Reserve effort but under our present system, to use advertising terminology, a good "image" is important from the point of view of an understanding of the service and its ability to continue to attract recruits.

VI—PARTICULAR ELEMENTS IN THE ORGANIZATION OF THE RCNR

(a) *Complement, Manning and Turnover of Personnel*

The Committee appreciates that complement must be related to need. However, it is a fact that in any Reserve establishment, and for that matter the same applies to Regular Force, there will be at any particular time a large number of personnel under some sort of basic or new entry training whose availability and usefulness in time of emergency is very limited. Also there is an age factor to be considered as at the present time the Naval Reserve recruits personnel at the age of 16½ who might not be authorized for Active service, certainly at sea or outside of Canada. Therefore in considering the needs of personnel from the Reserve in the event of emergency a realistic appreciation must be taken of the true potentialities of the Reserve in light of the foregoing. It becomes difficult to predicate the Reserve requirements on mobilization exactly to the authorized complement as this leaves nothing for new entries,

some personnel who may be frozen in their positions or unavailable due to many factors including sickness, temporary absence from the community and other factors over which there can be no positive control. The Committee is aware that this in fact happened on several occasions in 1939 when personnel of the Active Reserve Forces could not be immediately located because of absence from their communities and also after mobilization were recalled by their employers on representations to the government as being necessary for the industrial war effort. The Committee is also aware that the original forecast of the strength of the RCNR for 1964 was 4,100 excluding UNTD cadets. As this estimate was presumably made some time in the early part of 1963 it is difficult to reconcile this with an acceptable limit on the Active Naval Reserve (excluding UNTD) as now contemplated of 2,400, if in fact the 4,100 figure was completely supportable and a viable assessment.

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Further the yearly enrolment for the RCNR has varied from 2,000 in 1953 to 1,000 in 1958 and 1959 with an average of about 1,400 over the last ten years. This means there is a turn-over of approximately one-third in the Naval Reserve each year. By comparison the Regular force figure for recruiting is about 3,500 men per year for a strength of 21,000. This, of course, is of grave concern to the overall efficiency of the Reserve and part of this reason is attributed to the low age of the recruits in many centres. One Division reported that almost 80% of its strength in men is in the 16 to 18 bracket. This means this unit will have grave difficulty in meeting its EDP requirements. It would be the Committee's recommendation that the age limit for entry into the RCNR be reviewed and raised to at least 17 so that a more stable base for new entries will be achieved in the hope that boys of greater maturity will have made up their minds and will be more likely to remain in the Reserve for such a length of time as to make them useful. This matter is, or course, entirely involved with comments which are passed from time to time about the need for some sort of compulsory service. The Committee received one representation in this regard which is being passed on for comment only. (Brief from HMCS CABOT Appendix 54). As an alternative the Committee emphasizes the desirability of continually stressing the need and importance of the Reserve in defence planning to ensure attracting to the Reserve the type of person who will remain in it. The problem of turnover is also affected by the type of training programme and this will be discussed elsewhere in the report.

There is also the problem of obtaining sufficient numbers to meet complements. Thus while the complement of the RCNR in 1956 was 12,000 (excluding UNTD) the numbers borne were only 5,850, which represents the peak for the last 10 years. (Schedule 9). Even at the end of 1963 Divisions were not meeting authorized complements by some 900. (Schedules 4 and 5). This is mentioned here because it was the opinion that many units seemed to reach a peak in strength beyond which it is difficult to rise. Notwithstanding this in two cases divisions are being granted increases in personnel, yet there is little likelihood of these higher figures being achieved. It is suggested that to ensure at least meeting the broad requirements of personnel that complement deficiencies of understrength Divisions be allocated to other Divisions.

As indicated, the Committee feels that the present complement of 2,400 is inadequate to meet the requirements the Reserve will have

to meet in case of emergency. Also there are many unknowns in respect to any planning of this nature, not least of which is the suitability of people for various positions in the Emergency Defence Plan and the nature in which mobilization or call-up may be effected. Taking into account the present planning for establishment of NOIC and NCSO bases however it is apparent that the commitments that the RCNR will have to meet in the event of future emergency are vastly greater than in 1939. It should also be pointed out that while Canada was not a major maritime nation at that time it had a much larger ocean-going merchant fleet than it has now and there were some 500 experienced seamen in the RCNR of that time who were available to man auxiliary vessels and support the Active Fleet as well as fill the few NOIC and NCSO bases which were established on the outbreak of World War II. These men are now practically non-existent so far as Canadian service is concerned and would be expected to probably be available to the Royal Navy if they are sailing under a United Kingdom flag but otherwise their availability and dependability as well as Naval training is doubtful and questionable. Comment should also be made with respect to the requirements of Reserves for filling tasks in such situations as the Cuban crisis of October, 1962. At that time, notwithstanding that ships of the fleet were put on the alert, further steps to withdraw large numbers of personnel from Fleet Establishments ashore were not pursued and it is understood that Reserves would have been most valuable and welcome if authority for their call-out had been given. In this regard apparently one of the problems was availability of money to pay Reserves for special duty, and as a full emergency was not declared the appropriate steps were not taken to overcome this. It is understood many Reserves did in fact offer their services.

Therefore notwithstanding the many variables in any sort of planning for defence the Committee is of the opinion that a Reserve of not less than 3,700, exclusive of UNTD Cadets, is closer to requirements. However, because of the steps that have already been taken in the allocation of funds for the next fiscal year it appears that only 3,000 can be maintained within the budgetary limits now laid down although the Committee would also express the opinion that this figure is one which should not be recognized as meeting requirements. This would give about a 20% cushion for personnel under age or who had not been fully trained or could not be used immediately, for instance Wrens in outlying ports with NOIC and NCSO organizations. In this regard the Fleet itself has a certain cushion in that of its total strength a large number are under training at any one time and there is always going to be a number who cannot be immediately put into Active service by reason of inexperience or other obvious reasons. If this 3,000 can be supported this would still result in a reduction in complement of the RCNR of 700 which would soon be achieved through attrition and the slowing of recruiting observing that this represents approximately 6 months intake of recruits into the RCNR. Percentage-wise this would mean a reduction of approximately 20% in strength and applied to the nearly $2,000,000.00 for RCNR pay and allowances for the current fiscal year would mean a saving of about $400,000.00. This saving should be increased by the proposed reduction in pay for officers for Divisional Drills by one-third.

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It is emphasized that it is implicit in the Committee's recommendations under this heading of "Complement" that the Operational

Commands on the East and West indicated they would like to be able to call on more Reserves notwithstanding the Emergency Defence Plan which is felt to be a bare minimum and the Committee gained the impression that a figure was given as to what was going to be provided and the Commands directed to tailor their requirements to that figure rather than basing requirements on need and endeavouring to see whether those needs could be met.

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(b)—*Naval Training by RCNR Personnel*

In the context of the remarks herein the term Naval Training applies to the annual training undertaken by Naval Reserves as defined in QRCN Article 1.02(1ii) and required by Article 9.02. Prior to 1956 Reserve personnel for the greater part took their training at either Halifax or Esquimalt. In the year 1956, under the direction of COND, the Great Lakes Training Centre was established which is now equipped to handle new entries of the Reserves as well as certain higher trades such as communications. Recently it has been the practice to attach to GLTC ships from the Atlantic Command which are placed under the command of COND for the purpose of giving sea training to the Reserves. In addition, some small auxiliary vessels have been allotted to COND which are brought forward each year into commission and are manned with Reserves on special duty for the summer months with a small nucleus, especially in engine-room personnel, from the RCN. Insofar as making sure that sea training is available for the Reserves this principle is heartily endorsed. It is also believed that the standard of training at the GLTC is as satisfactory as may be expected for a training establishment functioning sporadically. Some comments were made as to the unsuitability of accommodation arrangements for senior men who did not like having to find accommodation off the base. There was also some comment as to the unsatisfactory standard of catering. As one of the large items of expenditure in the Naval training of a Reserve involves his transportion due to the distances involved in Canada and taking into consideration that before the establishment of GLTC all training was done on each coast, representations were made by Divisions located near the coast, especially in the West, that, not only as an economy measure but also from the point of view of achieving satisfactory training, the schools operated on the coast be made available for Reserve training. It is understood that this would not create any insurmountable difficulties, especially as Reserve training staffs could be drawn from Reserves on special duty in the same way that they are now employed at GLTC. This would not involve the employment of any more personnel as GLTC would not have as great a requirement due to fewer numbers being sent there. Thus for a large Division such as DISCOVERY the saving in transportation costs would in each year amount to a considerable item and savings of a lesser but still important degree would be effected insofar as Calgary and Saskatoon, and of course Edmonton if this Division can be continued. As between Winnipeg and Port Arthur the balance would seem to be slightly the other way as economy air fare from Winnipeg to Toronto is less than to Victoria. Thus it would be the suggestion that GLTC be continued on its present basis but at a reduced capacity and direction be given that Divisions from Saskatchewan west go to Esquimalt, from Manitoba east to Quebec to GLTC, and

Maritime Division to Cornwallis. The one problem which the Committee were unable to achieve any satisfactory conclusion on was the availability of accommodation in ships of the Atlantic or Pacific Flags for Reserve Training. This would seem to be a problem which is capable of solution if given adequate attention. In the important field of specialized training, particularly Communications, the same principles of decentralization should be adopted.

(c)—*Training Syllabus and Procedures*

The Committee has not had sufficient time to carefully analyze the Training Syllabi set forth for Reserves. While the general content and approach appears to be generally satisfactory there is a Page 13
widespread feeling among Reserve officers that the syllabi as presently constituted seem to enforce an inflexibility on training as a whole with a lack of scope for local diversification where this seems beneficial. In some cases it has been represented that the time table of training is overly long and does not represent a sufficient challenge to the calibre of young man who is entering the Reserve. This is, apparently compounded by an over emphasis on classroom training and a dearth of instructors qualified in instructional technique who might succeed in making such a classroom course interesting. The Committee noted that a young man who sits under qualified school teachers during the day is unlikely to be interested in carrying out the same form of classroom instruction under amateurs for three hours on the same night.

The committee also notes that the emphasis on lectures continues during GLTC when surely the great bulk of instruction should be of a practical nature.

The Committee did not receive many opinions as to the efficiency of the present system of Reserve Drills whereby men attend for a minimum of one night a week and take instruction for approximately three hours. It is realized that some of this time is absorbed in activities not directly related to trade training but which have a value from the point of view of building up the sense of belonging to the Service through participation as a unit. While the amount of instruction that can be given on a one night a week basis is recognized to be limited, the regular nature of weekly parades has a cohesive effect on a reserve unit which engender "esprit de corps" and would not be obtained by longer periods such as complete weekend training held on less frequent intervals.

Training is of course the major pre-occupation of the RCNR but the Committee has not had time to sift all the many suggestions received on this subject and recommends that these be reviewed to determine their merits. The one important facet being the need for a more practical as opposed to theoretical approach to instruction.

(d)—*University Naval Training Divisions* Page 14

In the Committee's opinion the purpose of the UNTD is to supply trained officers for the RCNR and as incidental thereto also to serve as a further source of officers for the Regular Force. As a result the UNTD cadets are enrolled as RCNR personnel and on completion of their training and commissioning as Acting Sub-Lieutenants they are eligible to become officers on the Active List of the RCNR. The standard of training and quality of the UNTD cadets is considered to be entirely satisfactory and this training scheme has produced a

great many efficient officers serving in the RCNR. Not all Divisions are satisfied with the numbers of officers they get from the UNTD scheme and this would seem to a great extent to depend on the particular locality and the location of the UNTD units. Many UNTD units are located on campuses which are removed from the cities where the Naval Divisions are located and while it is probably a fact that most university graduates become employed in cities, if they have not had any direct association with the Naval Division as undergraduates through the UNTD scheme, their desires to join the RCNR Active unit if one exists in the city where they settle is probably reduced.

There is comment, and perhaps criticism, in some quarters that the UNTD does not require its graduates to affiliate with the RCNR on graduation and also that it is training far too many officers for the numbers required to man the Reserve Active list. There is also certain comment that the UNTD really provides a form of subsidy to assist the cadets to achieve a university education at the expense of the Crown without any corresponding obligation to become members of the Active Reserve for any period afterward. There does not seem to be a unanimity with respect to the objectives of the UNTD and there are those who feel that the more cadets that can be trained the better it will be for the Naval service and the building-up of a strong potential of qualified young officers available in case of emergency. On the other hand there are those who feel, from an economic point of view, that if the UNTD is designed to supply officers to the Active Reserve the programme should be adjusted so that the maximum possible number of cadets would be available to Naval Divisions and this perhaps would entail the maintenance of UNTD units only in those cities where Naval Divisions are located. From the point of view of an effective use of money being spent on defence, the latter view seems to have much to commend it and if the complement of the UNTD is to be reduced certain units will be left at some of the smaller universities of such a size and nature as to hardly warrant their continued existence on the respective campuses. It is the Committee's view therefore that from the point of view of supplying officers to the Reserve, the UNTD programme, so far as it is chargeable against Reserve activities, should be brought into line with the requirements of the Reserve and the possibility of cadets on graduation joining the Naval Division in the city which they live being a condition of enrolment at the time. It is realized that such a policy cannot have one hundred percent effectiveness but it would seem, for instance, very unlikely that a student entering the faculty of say, Forestry, who comes from a Northern Ontario town would remain in a city where a Naval Division exists and therefore his enrolment into the UNTD programme should be discouraged. If, however, the objective of the programme is to aid education and to create a larger pool of trained young officers on the Retired list of the Navy than can be absorbed by the Active Reserve, then this is a matter which should be considered not only by the Department of Defence but by other agencies of Departments both within and without Defence. Thus from the point of view of the Naval Reserve any monies allocated in this latter direction should not really be a charge on the Naval Reserve vote when such figures are being closely scrutinized with a view to obtaining the most effective Reserve force possible for the funds available. It would be difficult to rationalize these two conflicting views into straight dollars and cents. Thus if it is desired to

create a "presence" of persons having association with the Navy in many centres in Canada, notwithstanding the absence of Naval Divi- Page 15
sions, and also to assist in higher education, then these items should be treated separately and are perhaps more appropriately a responsibility of some other budget than the RCNR's. This proposition is advanced with the full realization that if the UNTD programme is continued on its present basis there would be no overall saving in expenditure. Nonetheless it is mentioned in line with the Committee's task of assessing the direct and indirect costs of the establishment of the RCNR, which for practical purposes is regarded as the Active Reserve.

It is the Committee's view that perhaps the UNTD programme was set up on too elaborate a basis at a time when expenditures for wartime were not scrutinized in great detail and the concept of training large numbers of young officers at the universities was attractive, especially as these officers would go directly on to Active service as soon as their studies were completed. While this may have been true to some degree, the UNTD scheme had not really been in operation long enough before hostilities ended to really become effective and the establishment that had been set up was allowed to remain without a hard look at the requirements in the light of post-war needs. Also perhaps the availability of UNTD training on many far-flung campuses has come to be regarded more as a vested right than a basis for the needs of the Naval service.

Schedule 8 is an analysis provided by COND of promotions of UNTD Cadets for the years 1960 to 1963 inclusive which shows that over this period about 70% of cadets commissioned remained in the Active Reserve. This is considered satisfactory but perhaps could be improved if the effective contribution of individual units were more closely examined. Our comments and opinions on this subject should be correlated to and discussed with the Military Studies Committee of the National Conference of Canadian Universities and Colleges which it is understood also has this matter under review.

(e)—*Naval Reserve Air Squadrons*

The proposed reorganization of the Reserve contemplates the development of two Reserve Flying Squadrons located at Toronto and Victoria. It is fully appreciated by the Committee that Reserve flying is probably the most expensive activity of the Reserves on a per man basis because of the type of equipment being used, the fact that pay for officers is higher and also more time is frequently put in by personnel attached to Air Squadrons in order to maintain proper flying efficiency. However, the Committee feels that notwithstanding the relative greater expense of the Air Squadrons that certain factors are important from the point of view of the readiness of the Reserve and its personnel in event of emergency. It was represented that pilots of the Reserve Air Squadrons were probably more efficient in their techniques of flying by reason of their weekly duties and piloting of aircraft than many RCN pilots who are on staff appointments which only enable them to fly infrequently. This is a matter on which the Committee merely wishes to make an observation although this opinion has received some professional corroboration. Therefore, if this is true, and also taking into account the fact that many of the pilots flying are qualified

to fly the S2F aircraft and some have qualified in helicopters, this pool of highly training personnel would seem to form a very important part of the Naval Reserve if a true back-up is to be given to the Air Squadrons of the RCN. While the aircraft presently in use by the squadrons are of a transport nature the usefulness of this type of light aircraft in emergency and for search and rescue and transportation of personnel from time to time certainly would seem to weigh heavily in favour of the retention of the air squadrons. It was represented that a trained pilot represents an investment of some $100,000.00 and if Reserve squadrons are disbanded this investment representing a total outlay of some $2,800,000.00 in
Page 16 trained personnel, will be lost, and only recoverable after extended refresher training in the event of emergency, by which time it might be too late. It would seem that if the Navy is to continue Naval aviation as a part of its ASW function and Reserve pilots can be maintained in such a state that they can take their part on an immediate basis in such functions then these persons truly represent a force-in-being of the greatest value. It is also assumed that the RCN has a large investment in Short Service pilots who are continually leaving the Service. The Reserve squadrons therefore provide an inexpensive method of retaining their valuable skills for many years.

It is believed that the reasons for the introduction of aviation into the Naval Reserve in 1953 are as valid now as they were then as the Navy continues to support an almost similar size aviation component as then and while there has been some change in aircraft the aircraft now being used are within the capability of Reserve aviators to maintain a reasonable operational efficiency. In fact with the abandonment of jet fighters and the concentration on low performance propellor driven aircraft, both fixed-wing and helicopter, the potential usefulness of Reserve flyers has increased.

It is interesting to note that in the instruction to be given to Reserve personnel in General Training, Part I (A), Parts I and II as revised to the 14th January, 1963, in the lecture on the role of Naval Aviation, Lesson 7.02/3 is a comment that the Reserve Air Squadrons form a back-up for the Fleet. It would seem, therefore, that the establishment of these Squadrons rests on basic requirements that in the Committee's opinion there does not seem to be any change in this regard. Further it is understood USN Reserve Squadrons are trained and equipped to carry out operational roles especially with S2F aircraft and in fact take part as operational units in joint exercises of the USN and RCN. Observing the high standard of training of RCNR pilots therefore it seems to the Committee that the two Squadrons remaining certainly provide the very minimum back-up required for the Regular Squadrons and should if possible be retained. In this connection while the squadrons are designated as Communications squadrons, the training of the pilots is in fact directed to ASW.

Page 17 (f)—*Medical Procedures*

Consequent on the formation of the Canadian Forces Medical Services all regular force medical matters are dealt with on a tri-service basis. This has not yet been extended to the Reserve with the result that Naval Reserve medical matters are dealt with through the Commanding Officer Naval Divisions although in each of the

military commands throughout the country are medical personnel, some of whom are actually Naval notwithstanding they are attached or belong to the CFMS. It was the opinion of one of the most experienced Reserve medical officers that considerable economies could be effected if advantage was taken of the CFMS personnel in various commands to process medical documentation in connection with Reserve recruiting where this would effect economy. It is understood that in the case of RCN recruiting this is being done. There is also the anomalous situation of senior and experienced medical practitioners having to submit reports of medical examinations to a medical administrative officer on the staff at COND who is not a qualified medical practitioner. This would seem to be a cause of unnecessary irritation and would hardly seem to be justified in view of the high standard of medical officer which serves in the Reserve forces. It was also thought by some medical officers that the x-ray examination could be eliminated as part of the recruiting routine and economies would be effected in this direction which in a Division the size of YORK might amount to $900.00 a year. The experience in Toronto was that out of 52,000 x-rays taken of candidates for recruitment into the RCNR since 1953 there were only two non-active cases of tuberculosis discovered. As men are also liable to x-ray examination on taking Naval training at the coast in the establishments there, it would seem that the cost of x-rays on recruitment is something that should be eliminated. It is observed that in this regard the Militia have eliminated the x-ray examination.

Further widespread duplication must exist because of the widespread existence of Government and private health plans and services. It would only be fair to state however that the one dissenting comment in this regard was made by a medical officer who is a radiologist. Further it is thought that the extensive referrals are unnecessary and a clinical examination which is within the competency of the medical officers in the Division with the equipment available there should suffice. Observing that eye consultations in some areas are as high as $15.00 each this is certainly worthy of consideration as an economy measure without any detrimental effect on the standard of recruit. This was the opinion of two senior Reserve Surgeon Captains.

(g)—*Clearance Diving*

Some Divisions have established clearance diving units. While these are not specifically called for in the tasks allotted to the RCNR in the Naval Board Minute referred to it would seem they come squarely within Items (ii) and (iii) of the tasks. The Committee was convinced of the usefulness of this activity as it can draw upon proficient amateur underwater divers whose enthusiasm and interest is most commendable. It is known that throughout the winter in Divisions having diving teams, regular exercises even in the coldest weather are carried out. On several occasions teams have been called out on short notice to perform tasks in the public as well as the military interest. This has been done to the satisfaction of those concerned. It is the Committee's recommendation that this type of activity certainly not be curtailed. A need exists for personnel trained in this field in the case of emergency and through

their peacetime activities they do generate much goodwill for the Navy. It is understood their competency is equal to that of like personnel in the RCN.

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VII—FACTORS RELATING TO INDIRECT COSTS OF THE RCNR

(a)—*The Commanding Officers Naval Divisions Command*

This Command was established in 1953 to administer 22 Naval Divisions across Canada and it is believed by the Committee that the eventual objective was to establish the Command as a Flag Officer Central Canada with functions covering the area between the Flag Officers of the Atlantic and Pacific. This plan has never been brought to fruition and COND remains as administrator of the Naval Divisions, the RCNR and Sea Cadets as well as establishing certain training facilities on a summer time basis at Hamilton, Ontario at the Great Lakes Training Centre. Prior to the establishment of COND all Reserve administration was centralized under the Director of Naval Reserves at Ottawa with a staff of about four officers and an appropriate number of civilian help. In 1953 the strength of the Naval Reserve was about 5,300, a figure which has not been achieved since that date. At the present time it is understood that there are approximately 34 officers, 15 other ranks and 50 civilians on the staff of COND which represents a reduction from a peak of possibly a total of 125 of some years ago. The committee was advised that it was not contemplated to make any reduction in the staff of COND consequent on the closing down of 1/3 of the establishments of the Naval Division Command and the reduction in complement by an equal amount. In view of the fact that the major items of concern to the Command is the maintenance and repair of buildings, supervising civilian personnel employed therein and personnel administration of the Reserve the committee fails to see why no similar reduction in the establishment of COND commensurate with the reduction in the Reserve is to take place.

Apart entirely from the foregoing observation representations were made to the committee that while the establishment of COND had in the initial stages improved the organization and training of the Reserve it was felt that now the role and task of the Reserve had been more clearly defined that COND had perhaps reached a point where its continued establishment as a separate command was not justified for the functions it performs. This is apart from the operation of the Great Lakes Training Centre which will be commented on separately. In passing, it might be stated that no difficulty can be foreseen in establishing the G.L.T.C. from summer to summer if required in the same way as it is now, as many of the personnel are Reserves who are placed on Special Duty for the summer and the amount of administration during the Winter months of this activity is therefore at a minimum.

Another facet in relation to the administration of the Reserves by COND is that when COND was originally established the Reserves were entering on to a phase of specialized technical training that involved the supply of a great deal of complex and expensive equipment such as SONAR, Gunnery Control, etc. This programme has for the most part now been discarded and the Reserves train on more general lines which have less emphasis on technical training in recognition of the difficulty of matching regular Naval standards for

more complex technical trades in the time available to Reserves. Accordingly the requirement of many specialist officers no longer exists as the form of training which the Reserves are now required to take under the revised programmes within the scope of what might be called, non-specialist officers. This of course has an effect on the level of administration required. A further point that came up continually before the committee was the vast amount of paper work which Naval Divisions were called upon to handle. The committee, from its own experience, was able to state that this was very marked with the institution of COND and the divorcing of Reserve administration from Ottawa, under the Director of Naval Reserves.

Another point that was brought before the committee was the fact that COND undoubtedly is quite an expensive operation and in view of the fact that the Naval Reserve now seems to have very positive direction and knows what its function and tasks are consequent on the reorganizations that have been completed recently that perhaps COND as a separate command is no longer justified from expense operational and administrative points of view. As it was Page 19
succinctly put more than once to the committee perhaps "COND is a luxury we can no longer afford". Observing that according to the figures supplied to this committee by COND (Schedule 7) the maintenance operation and personnel costs of COND would appear to represent some $750,000 dollars per year there would seem to be some justification for this comment.

The committee is aware that in the Royal Navy and the United States Navy. Reserve administration continues to be centralized at the respective headquarters of those two services. Thus the RNR is administred by the Admiral Commanding Reserve who is an officer at the Admiralty on the staff of the Second Sea Lord and in the United States there is an Admiral as an assistant Chief of Naval Operations in charge of Reserve activities in the Navy Department, Washington. On the divorcing of DNR from headquarters in 1953 and the assumption of command of divisions by COND the direct administrative link to Headquarters and the direct link to the operational commands on the Coasts was lost. It must be remembered that the Naval Reserve is trained to form a pool of personnel for the use of the flag officers on either coast in the event of an emergency. The possibility of lack of co-opration or communication between the flag officers on each coast and the Reserve also exists as it seems an extra link in the chain has been inserted as presumably much of COND's administration which is basically personnel goes through Naval headquarters and repetition and duplication and overlap by reason of the separation physically of COND from Ottawa undoubtedly occurs. The committee of course had not had the opportunity by reason of time at its disposal to thoroughly investigate or obtain information in this regard but bearing in mind the basic nature of the growth of administrative operations it seems a valid conclusion.

The committee therefore agrees with the recommendations of the overwhelming opinions expressed to it that immediate consideration be given to returning the Naval Reserve administration to Ottawa where it would become part of the operation of the Chief of Naval Personnel similar to the old DNR arrangement and the resources of the various headquarters Departments for the preparation of syllabus, mobilization, planning and all other matters would be available.

The Committee was advised that the RCN pay and allowances of personnel in COND and attached to the various Divisions were not considered as a charge on the Reserve Force vote yet it must be considered in the overall Naval estimates as an indirect cost of the Reserve as the presumption is that were these people not employed at the Divisions they would not be required elsewhere unless the fleet is woefully undermanned. This comment is made in light of the fact there are employed, either in COND or across the 22 Naval Divisions, some 400 personnel both uniformed and civil service. Of course many of their duties are related to the establishment of the RCN itself in such functions such as Pay and Accounting for people on detached duties in various centres such as the RCAF College Toronto, Joint Services School at Rivers, Manitoba, Radio Stations, ROTP cadets at universities, etc.—all of whom require pay and other administrative services which, for convenience, are being handled through Naval Divisions. Thus in many cases the Pay and Accounting staffs of the Naval Divisions are employed to a greater extent on RCN matters than on Reserve matters as most Reserve units handle this function for their own people. However, notwithstanding this there are still a large number of permanent employees employed in the administration of the RCNR. This, of course, has a reflection on the greater importance the Committee feels the RCNR has and the difference in the approach to its administration from that of 1939 when the Reserve was reasonably self-administering with a maximum of two regular force instructors in even the largest Divisions of a 150 and a small staff on the Directorate of Naval Reserves in Ottawa, not exceeding two officers and a few clerks. At that time the Reserves numbered about 2000 compared with a presently projected figure of 2400 (excluding UNTD). Consequently it seems that if economies can be effected in the regular personnel administering the Reserve that these should be properly considered as savings in the indirect costs of the RCNR as otherwise these people would not be employed by the Department of National Defence. The Committee is also mindful that recently with the paying-off of a squadron of minesweepers the 500 or so persons thus released will constitute a reduction in the overall comp'ement of the Navy and are not being
Page 20 absorbed in the existing establishment. On the same line, therefore, if personnel involved on a regular or full-time basis for Reserve administration can be eliminated this should be reflected in an overall reduction in the RCN figures for complement and therefore pay etc. and this should be credited to the Reserve from the point of view of calculating the costs of maintaining it.

It is against this background and the belief that the Reserve can be more effectively administered by return of the Reserve administration to Naval Headquarters, and more economically operated in terms of RCN staff within individual divisions that the Committee recommends:

(*a*) COND be discontinued as a separate command and all requirements for Headquarters administration of the Reserves be reviewed.

(*b*) The RCN complement within individual divisions be reduced to a scale commensurate with the needs of Reserve administration and training only. If there is a continuing requirement to operate Naval Divisions as Fleet Establishments for Regular force purposes, this

should not be treated as presently appears to be the case as part of the cost of the Reserve, but should be identifiable and charged to operating the Regular components.

It is estimated that the implementation of the foregoing could result in savings of at least $500,000. and possibly 150 personnel.

It was suggested to the Committee that COND also was considered to have a purpose to promote a separate Command organization in the event of emergency. However this does not relate to the provision of Reserves in relation to the present planning of a war of short duration—30 day concept. However if the continuance of COND as a separate organization is a requirement of RCN policy this does not, in the Committee's opinion have a major bearing on the peacetime Reserve establishment as Reserves should be brought out in accordance with the needs of the Atlantic and Pacific Commands which can be probably dealt with in a manner similar to 1939 by order of Headquarters.

The Committee is also aware through the members' association with the Conference of Defence Associations that consideration is being given to the re-establishment of the position of Advisor on Militia for the Army and it may be that the Committee established for the RCAF (Auxiliary) envisages a recommendation that a Senior Air Force officer be responsible at Air Force Headquarters for RCAF (Auxiliary) matters. The Committee therefore feels that if steps are taken by the other two services in this regard it would lead to a most desirable situation to have the officer responsible for the administration of the Reserve in the Ottawa area where consultation with the officers administering Reserve force matters in the Army and Air Force would be readily available and there would in fact be a tri-service approach to Reserve matters established at the top level. It is also the Committee's recommendation that the Director of the Reserve Force for the Navy be an associate member of the Naval Board although perhaps not a full member. Yet for the purposes of discussing and considering Reserve matters before the Naval Board it is essential that he has the right to participate in Board discussions affecting the RCNR.

(b)—*RCN Recruiting Organization*

Although the terms of reference of the Committee did not specifically include any examination or consideration of the recruiting organization of the RCN through the Area Recruiting Officers and now as implemented in many centres through Tri-Service Recruiting Staffs, many comments were received from various units with respect to this matter and the Committee feels bound to make certain observations in respect thereto. The comments which the Committee received were related to costs of the Navy's operation in particular areas and those submitting the comments were doing so in good faith in the hope that any unnecessary expenditures which may have resulted from the Tri-Service Recruiting organization might be eliminated. Specifically Divisions which had formerly housed the RCN Recruiting Staff by reason of the strategic location of the Division in its community could not see the rationale in moving the staff away to another building, sometimes to pay rent to a commercial organization, or perhaps have rent charged against the Navy vote by reason of occupancy of government quarters when

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such move only entailed locating the recruiting office a few blocks away from the Naval Division. This is particularly true in Winnipeg for example. In other cases, such as Edmonton, it is believed the area recruiting staff will be housed in HMCS NONSUCH if the RCNR abandons it. In fact it was represented at Edmonton that the whole recruiting staff could be accommodated in the Division without impairing the operations of the Reserve unit and it would seem that if this step is contemplated a proper allocation of costs as between the recruiting activities and the Reserve Division should effect a basic budgetary saving to the Reserve appropriation. There was also criticism of the work load carried by recruiting staffs. For example in one province which produces about 1 recruit per month for the RCN, there exists a Chief Petty Officer as Recruiting Officer. The utilization of this man as Staff Officer for the Division was considered feasible. When recruiting was located in Naval Divisions a certain amount of assistance to the Division was available from the recruiting staffs as they were not fully occupied with their duties. There is a general feeling that the recruiting offices are overstaffed and if personnel is a problem certainly in those Divisions which indicated the desirability of returning the RCN recruiting staff to the Division assistance in the administration of the Reserve unit would be an economical utilization of personnel. As indicated, this entire matter was really outside the purview of the Committee and these comments are made only because they came up from time to time in submissions to the Committee but in the overall picture of endeavouring to reduce expenditures and achieve efficiency the Committee feels that it has a duty to present these views.

Inherent in this proposal would be the requirement for the RCN Recruiting Staff to come under the Command of local CO. This would represent no break in the direct link with CNP if the recommendation of the Committee respecting COND is implemented (Part VII (a).)

(c)—*Navy League of Canada and Sea Cadet Corps and Navy League Cadet Corps—Summer Camps*

The Navy League of Canada has as one of its objectives the promotion of an awareness of the importance of sea power and maritime affairs in respect to Canada and the Naval Defence of the Country. However the principal activity of the Navy League is the operation of Sea Cadet and Navy League Cadet Corps, the former in partnership with the Royal Canadian Navy and the latter fully supported by the Navy League itself from its own funds. Prior to 1939 the entire cost of the Sea Cadet movement was borne by the Navy League without assistance from the Department of National Defence. About the year 1942 a change was effected and the Navy became closer associated with the Sea Cadet Corps as it was presumably felt that the young men in the Cadet Corps would make potential recruits for the Navy. Also at this time a system of pay for officers attending drills was instituted as heretofore there had been no remuneration for them as Cadet officers. By reason of the close association between the Navy League and the Navy in respect to the Sea Cadet movement over the years considerable help has been given to Sea Cadets by the Department of National Defence and the committee understands that the current appropriation

for support of Sea Cadets is 1.35 million dollars, which is chargeable to the operation of the Naval Reserve.

We understand this is to be reduced $200,000, but there was some conflict on the information received on this point. Arising out of the interest and association of the Navy League with the Naval Service the Committee received briefs from many committees of the Navy League either provincial or local and did hear some oral presentation from the National President of the Navy League, during the hearings held on the HMCS STAR on the 26th of January.

In essence the principal point which was presented to the committee by the briefs from the Navy League was concern with the closing down of Naval Divisions which were providing accommodation to Sea Cadets and Navy League Cadets for their activities. This accommodation is provided without charge to the Navy League, notwithstanding that in centres where there is no Naval Division or other Government property available the Navy League Page 22 has the obligation of finding and providing appropriate quarters at its own cost. The Navy's responsibility is the provision of uniforms, pay for officers and cadets, maintenance of summer camps and capitation grants. Officers and Cadets are sent to camp by the Navy at the Navy's expense. During these periods, the Cadet officers are on Naval rates of pay. In some locations the degree of use to which Noval Division Buildings are put by the activities of the Cadet Corps is as great or perhaps in some respects greater than that of the Naval Reserve Division. This occurs when two substantially large Corps use the facilities of the Naval Division exclusively on certain evenings for their drill and training activities. Figures were cited to the committee that approximately 23% of recruits entering the Royal Canadian Navy are ex-Sea Cadets. Thus this is considered a very fertile ground for Navy Recruiting. However, in the case of the Reserve, the Naval Divisions were gravely disappointed with the very low percentage of recruits obtained by the RCNR from the Sea Cadets, notwithstanding the close association which existed in the activities of the Reserve and the Cadets by virtue of their sharing quarters. The committee members have all had opportunities through their Naval Reserve experience to observe and participate in Navy League activities and certainly are not unsympathetic to this Cadet movement which is doing an extremely salutary job of giving young men and young women (through the Wrenettes) a training in discipline and citizenship with a Naval background. The standard of training in the Sea Cadet Corps is certainly recognized by the Committee to be very high and this may partially explain why Naval Reserve units draw few Sea Cadets. Thus the senior Sea Cadet finds little challenge to his talents when he joins the Naval Reserve because he is already highly trained in the basic essentials of seamanship, discipline, Naval lore and other matters. At present qualified Sea Cadets may join the RCNR as AB(NQ). It is felt that this is not a sufficient recognition of the capabilities and qualifications of the Senior Cadets and to attract more into the Reserve a more generous rank should be given to qualified Cadets so as they would be encouraged to join. There are of course a number of Cadets who go to Universities and perhaps join the UNTD scheme and would not be expected to participate in the RCNR. However, the fact remains that a great many Cadets are terminating their association with the Naval service

when they leave the Cadet movement and this is an unfortunate loss of trained young men on whom the Navy has spent considerable monies. In addition to basic training, Senior Cadets have opportunities to take special courses of six or seven weeks in the summer. These courses are in fact of a standard close to certain trade training in the regular Navy and at present not required by the Naval Reserve due to the reorganization of the Naval Reserve training programme. This again is not to be construed as criticism but if the Cadets do not join the Naval Reserve nor the regular Navy the value of this type of training from a defence dollars and cents point of view is questionable. It should also be borne in mind that if the Cadet joins the regular Navy he will take much of this training over again on completion of his New Entry training and perhaps these higher specialized courses might be revised to have a more realistic value to the Cadet movement as such and possible utilization or application to the Naval Reserve. The committee is thinking, in this regard, of such things as Naval Aviation training which does not form part of the Sea Cadet curriculum and therefore does not make the young Cadet any more suitable as an instructor in his Corps nor is it applicable to the Naval Reserve especially if the two squadrons presently in existence are disbanded.

The Committee is fully sympathetic with the aims and objectives of the Sea Cadet movement but if the policy of the Department of National Defence is to spend its budget on defence activities then the Sea Cadet movement cannot be wholly considered as under this heading and is certainly at the present time not of great value to the Naval Reserve in its role and tasks for the reasons indicated above. Further it does seem reasonable to have the Sea Cadet vote charged against the Naval Reserve in these circumstances. On the understanding that there is to be only a minor adjustment of the Sea Cadet allotment in the current Defence budget then almost the entire cut in appropriations for Naval Reserve activities is falling on the active RCNR to the prejudice of its capabilities and establishment. Further the committee was advised that although the plan
Page 23 was to reduce the number of days reserve officers will be paid for their weekly drills from 30 to 20 no similar revision in Sea Cadet officers remuneration is contemplated. When one compares the Sea Cadet officer with say leaders of the Boy Scout organization, who receive no remuneration, this hardly seems reasonable as the Sea Cadet officer is not part of the Naval Reserve as far as liability for service is concerned nor is he anywhere nearly as highly qualified as the Naval Reserve officer who for the large part is a graduate of the UNTD. It is true that there are some Sea Cadet officers who are ex-wartime Naval Officers but these are becoming fewer and fewer and the techniques and qualifications of Sea Cadet officers are well below that required for officers in the RCNR. It would seem therefore that some re-adjustment of Sea Cadet officers pay, to that of Naval Reserve officers should be made if economies are being dictated. The committee would recommend that the number of days for Sea Cadet Officer's drill pay be reduced to the same figure at least of Naval Reserve officers i.e. 20 and as an after-thought perhaps complete revision of the approach of payment of Sea Cadet officers should be undertaken. In this regard many Navy League officials appearing before the committee expresed confidence that pay was not important to the average Sea Cadet officer and that for

every one who might leave the Cadet movement if pay was cut or eliminated there would be no problem of replacement. On the basis of the figure of $361,000. per year being paid to Sea Cadet officers for drill pay, a cut to that of Naval Reserve officers would result in a saving in the next fiscal year of $120,000. The committee therefore expresses the following opinions regarding the Naval participation in the RCS Cadet program.

1. The RCSC cannot be categorized as an Active Reserve force.

2. As a corollary of the foregoing it then follows that the RCSC is not a legitimate chargè on the defence dollar to the prejudice of the Active Naval Reserve.

SEA CADETS SUMMER CAMPS

At the present time sea cadets are given the opportunity to attend summer camps at the expense of the Crown at camps established on the East and West Coast. Formerly on the East the camp was located at Cape Breton and the camp on the West is established at Comox. Observing that by far the largest number of cadets in the country come from the central area around Ontario, the transportation cost of these cadets to either coast is a considerable factor. It would seem that if GLTC is adjusted to have a lower requirement of Reserve personnel as the Committee recommends then facilities could be established to train cadets at GLTC from the central Canadian area. This would achieve savings in transportation in both money and time.

(d)—*RCN support and activities in relation to naval divisions*

In other sections of this report references have been made to the degree to which Naval Divisions carry out functions of fleet establishments and perform tasks related to the existence of RCN commitments and personnel in various centres throughout Canada. Also inherent in this is the RCN staff personnel appointed to Divisions for assisting in the administration and the training of the RCNR.

Such RCN activities include:

(*a*) logistic support in connection with visits of ships to ports where divisions are located;

(*b*) assistance to personnel on leave and in compassionate cases;

(*c*) maintenance of pay and accounting records for RCN personnel temporarily on duty in the Divisions area;

(*d*) assistance to the RCN in filling instructional vacancies in Page 24 Fleet Schools;

(*e*) acting as a base for operations involving RCN participation in such public relation activities as the Canadian National Exhibition, Pacific National Exhibition, Navy Week, etc.;

(*f*) provision of motor transport and facilities for transient personnel;

(*g*) acting as release centres for RCN personnel on completion of engagement;

(*h*) support for the Area Recruiting Officer in connection with documentation, transportation, message traffic, etc.;
(*i*) provision of Trans-Canada Teletype Communication link;
(*j*) apprehension of deserters;
(*k*) Support for isolated RCN establishments.

It is estimated that in some Divisions the foregoing and similarly related tasks which are not part of the RCNR training absorb the energies and time of RCN staff at Divisions to an average of about 50%. Again while the Committee has been told that RCN pay and allowances are not chargeable to the Reserves, in taking an accounting approach to the cost of maintenance of Reserve units, it is undoubtedly the case that RCN staffs are considered as an indirect cost of Divisions as similar personnel and facilities would be non-existent without an RCNR unit in the various centres. It is assumed in this context that if Divisions in five major centres are paid-off that the RCN staffs from these Divisions will become redundant with resulting overall saving in personnel and their functions will be in many cases transferred to nearby Divisions thus reducing further the availability of those staffs for Reserve support which is understood to be their prime purpose.

Thus the Committee feels that there should be a clearly defined division between the allocation of staffs for Reserve activity only and those for RCN support functions and this be reflected in the allocation of funds between the two components. Again this would be a most difficult calculation to arrive at but even an approximation would be an improvement as this does not appear to enter into present budgetary planning.

The Committee feels that it should also comment on the standard of personnel drafted to Divisions to fill complements. In many cases such personnel are sent for compassionate reasons and because of their preoccupation with their personal problems contribute little effective effort to the administration of the unit. Also the quality of the personnel sent frequently leaves much to be desired and certainly in the experience of the Committee is not representative of the competency existing in Regular Force personnel. The all too common practice of drafting personnel who are inefficient to the Division simply adds to the burden of the Reserve personnel who are given unreliable assistance and especially in the case of staff officers gives the Navy a poor image in the community as these persons are looked upon as representatives of the standards of the Service.

Understandably and with the best of intention, many RCN personnel approaching their time for pension are directed to Naval Divisions in areas in which they propose to finally retire. It will be obvious that their personal requirements in seeking future employment must cause a conflict with their naval duties in the Division to the detriment of efficiency.

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VIII—FACTORS RELATING TO DIRECT COSTS OF RCNR

(a)—*General Financial and Budgetary Considerations*

As preliminary to the Committee's work, a statement of the costs of operating the Naval Reserve Units, was obtained from

COND, which shows a total of 5.6 million dollars on this item for the current fiscal year (Schedule 7). This includes regular force pay and allowances of 1.8 million dollars although it was pointed out to the Committee that this figure should not be included in considering RCNR budgeting as this is a charge against the RCN. *However,* such a figure must of course be considered as an indirect cost of the Reserve on the assumption that if this expenditure is only required for the RCNR Divisions, then were there no such component of the Navy these personnel would in all probability not be required. It was further pointed out that there is a figure of 1.35 million dollars which is chargeable to the RCNR and is attributable to the costs of the support of the Sea Cadet movement which is operated jointly with the Navy League of Canada on the principal whereby the Navy League is responsible for providing quarters, certain administrative functions, scholarships and other matters, whereas the Navy provides drill pay for officers and pay for officers on summer camp training, uniforms, area officer supervision of training, summer camp operation and transportation. In view of the foregoing it seems reasonable that in considering the direct and indirect costs of the operation of the RCNR expenditures on Sea Cadets should be considered as to whether or not any economies or savings can be affected in this area, observing that it has a direct bearing on the RCNR budget appropriations.

The Committee understands that insofar as the Department of National Defence estimates as tabled in the House of Commons for the current fiscal year are concerned the actual appropriation for the RCNR was 2.8 million dollars. We were also advised that a reduction of 1.8 million in the Reserve budget had been directed for the fiscal year 1964-65 but only a small part of this reduction is to fall on the sea cadet appropriation. Also apart from the savings inherent in closing down 7 divisions and the release of the staffs therefrom there would be no reduction in RCN personnel administering the divisions and COND Command. Thus while ostensibly a 33% cut in Reserve appropriation is contemplated if this was taken on a cost of operating the Reserves of 5.5 million dollars for one year (including the sea cadet vote but excluding RCN pay) the 1.8 million figure would be representative. However, as sea cadets are to take only a small reduction, the 1.8 million, will fall on approximately $4,000,000.00 allocated for the current fiscal year for the RCNR pay and allowances, overhead and maintenance and civil service staffs at the various divisions and thus represents a cash appropriation reduction of approximately 45%. The Committee does not feel that this is a justifiable approach to this matter in the light of the responsibilities which the RCNR is called upon to assume and which become either responsibilities of the RCN regular force or are in a sense non-productive from the point of view of efficient utilization of Naval Division property.

In the absence of other figures the Committee used the breakdown already referred to as supplied by COND, in approaching the Various units with a view to ascertaining where economies in costs of operation might be effected. At this point it should be mentioned that many of the officers associated with Naval Divisions are responsible businessmen or senior civil servants in various levels of Government who are used to and capable of working towards large budgets and making the best use of the money given to them for

the operation of their respective businesses or departments. Many officers are qualified chartered accountants, comptrollers of businesses and in one outstanding case is a Deputy Minister of Revenue for a Provincial Government. None of these officers were aware of the budgetary breakdown of the costs of operating their division as
Page 26 charged to them and while they had informed ideas as to what the costs were by reason of being able to assess the pay and allowances, both for RCN and RCNR personnel and civil service in many cases they were completely unable to reconcile the cost analysis which had been provided to the Committee in relation to their own division. Because of the limited time and facilities at the disposal of the Committee more thorough analysis and costing of the monies purportedly being spent in support of the RCN has not been possible. However, the Committee is firmly of the opinion that this matter requires most thorough investigation and analysis with a view to clarifying several points such as:

1. How much of the monies being charged to RCN pay and allowances, which are in support presumably of the Reserve, is in fact a support of the administration of regular force activities in various areas, which have no relationship whatsoever to the maintenance of the RCNR. Under this are such things as pay, stores, provision of motor transport, accommodation for recruiting staffs, telephone and related services, which have grown upon the divisions and absorb a great deal of their effort without contributing to the efficiency of the Reserve. This is not to say that such services are not essential but they could probably and will have to be in some cases reallocated if divisions are to be closed down and a thorough examination of this type of operation should be made for the purpose of arriving at proper cost accounting of the expenditures related to the operation of divisions. On an average the RCN staff in a division appears to devote about 50% of its time to Regular Force matters.

2. Pay and allowances for special duty for Reserve personnel, who are called out in the summer months or at other times to discharge functions for the RCN are charged, as the Committee believes, to the Reserve operation. This of course is part of the concept of service and duty for which the Reserve is established and should be prepared to meet, but if a strict application of funds for the RCNR operation alone on a non-active service basis is being considered, these are not properly charged to the Reserve establishment as many of these persons are doing jobs such as instructors in schools where they may teach permanent force personnel, fill temporary billets in various commands where RCN personnel are either absent or there is an immediate need. Also with respect to civil service it was certainly represented that in many divisions a revision of such things are heating apparatus in the division would enable a reduction in firemen to be made with consequent savings probably both on fuel and personnel. The Committee has been told that representations of this kind have been made by individual divisions but nothing has resulted therefrom. On the basis that an unnecessary position is being maintained and being charged to the Reserve, in the interests of efficiency these matters certainly require investigation.

3. In the breakdown supplied by COND is an item of $440,000.00 of Headquarters expenses which are prorated and charged to the operation of the various Naval Divisions. An opinion was expressed

that this was an item which was certainly an estimate and it was also expressed to the Committee that it would be difficult to make any allocation of this money amongst Divisions for the purposes which have been represented to the Committee such as costs of publicity, shipping and other matters, which are borne by Naval Headquarters. An opinion was also expressed that even if the entire Naval Reserve was abolished this figure would not necessarily disappear as a cost item from the Navy budget. The propriety therefore of including this figure as a cost of operation of the Divisions should be examined. On the other hand it should be observed that the Divisions contribute to the Navy in free services by way of representation which is a part of advertising and public relations on the part of the RCNR officers and men and in other intangible ways for which no cost is borne by the Navy. Any estimate of the value of this in real dollars would be as speculative as the charge for $440,000.00. It is observed that no prorated cost of this nature is charged to COND.

4. In respect to utilization of buildings, which of course has a bearing on costs of operation, it is apparent that most Divisions could be utilized to a greater extent by what might be called revenue contributing activities. Most Divisions do report reasonably high utilization of their facilities by reason however, of youth group activities on behalf of Sea Cadets, Navy League Cadets and similar types of organizations. The Committee is fully appreciative of the value of these activities as part of the strengthening of the moral fibre of the nation and our comments in this regard are not intended in any way to suggest that these are not useful to the country as a whole but are only related to whether these are functions which should be charged to the Department of National Defence in view of the fact that no obligation for service or enlistment in the services arises out of such activity. Thus in some divisions the degree of utilization for evening drill and instruction by such organizations often outweighs that of the Naval Reserve Unit itself. On a five or six night weekly programme, two may be used by the divisions and the other two or three may be used by such youth activities. The Committee was also advised that in many cases when word of the closing down of divisions became known the local military authorities expressed interest in the use of the Naval Division building. While no final decision on this will be reached until the report of the Militia Commission is completed it is certainly obvious that the Militia are looking forward to the acquisition and use of the buildings which the Naval Divisions have been directed to surrender. In discussing this matter the Committee received assurances by various divisions, including not only those affected on the closing down, that the accommodation of Militia units in the buildings would be not only feasible but would be welcome so as to achieve a more close co-operation between the Reserve forces. It was pointed out, however, that in such event there might have to be some displacement of the youth training activities but it would seem that with a little ingenuity this could in most cases be held to a bare minimum and instead of an elaborate allocation of space to such activities presently existing in some buildings that are more than adequate for the Reserve unit there would not be any real disadvantage accrue. Thus all the divisions which are in new quarters such as Queen Charlotte, Prevost, Queen could accept militia units

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of various sizes as these divisions are operating defence forces below the capacity of their building. The same comments refer to HMCS NONSUCH in Edmonton although this building is not as new as the three mentioned. It would certainly be the Committee's strongest recommendation that the paying off of these divisions be postponed until after the Militia Commission has reported and the needs of the militia in the various areas can be more clearly defined to see what can be done in the light of the findings reported herein. The purpose of this suggestion is not only to try to achieve economies in the matter of the operation of the Naval Reserve but also possibly that of the militia as other quarters which have become unsuitable or perhaps are being rented and could be made redundant to the Militia could thereby be surrendered. Insofar as the RCNR aspect of the matter is concerned it is assumed that if the militia and other Department of National Defence activities such as recruiting staffs were located in Naval Divisions that a proper allocation of costs of overhead and maintenance could be made with a resulting reduction to the charges to the RCNR vote. As an example if the division had a strength of say 150 and a militia unit of equal size was put in and used the building then costs of maintenance of the building should be divided equally between the militia and the RCNR.

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Notwithstanding that the breakdown of costs provided to the Committee is not entirely satisfactory but using it as an indication of what is entailed in the operation of the RCNR the Committee have analyzed the approximate cost of maintaining a Naval Reservist for one year. This is predicated on the total strength of the RCNR as at the 24 January, 1964, a total of 4,130 all ranks (including UNTD). Neglecting the Sea Cadet appropriation and RCN Pay and Allowances and taking a cost therefore of about $4,000,000.00 for the Reserve, this would work out on an average of $970.00 per man (as a comparison the average for RCN personnel is about $13,600.00). Referring to the principle of economy which was applied in deciding Divisions to close, we find that in the case of HMCS SCOTIAN at Halifax and HMCS MALAHAT at Victoria their average cost per man for the strength of these two units which total 376 all ranks about 200 below this average. In the case of HMCS MALAHAT there is an expense for the Air Squadron which is, as already remarked upon, probably higher than the average for the Reserve but even including this the cost of supporting these two Divisions is respectively on a per man basis—HMCS SCOTIAN $782.00 per man and HMCS MALAHAT $697.00 per man. In the case of HMCS MALAHAT further reductions in civil service pay and overhead maintenance can be effected if the Division uses quarters in the Fleet Establishments at HMCS NADEN. Also, in the case of Halifax the Division occupies a building which the Committee was advised will continue to be used and maintained for a base for the Reserve Fleet and other purposes related to the Atlantic Command and therefore there will be practically no change in the cost in respect to these buildings insofar as the overall Navy picture is concerned. Accordingly these two Divisions can, apart from the RCN staff component, be supported almost entirely on the cost of RCNR pay and allowances only. This of course is a unique situation but certainly should not be disregarded and in the light of availability of the personnel should weigh very strongly in deciding as to the continued existence of these Divisions as they provide good

value and usefulness in emergency. These of course are the prime requirements related to the maintenance of a Reserve force. It should be noted that many of the functions carried on by HMCS SCOTIAN, and presumably by HMCS MALAHAT, which relate to RCN activities such as ROTP Cadets, Area Sea Cadets and Recruiting Officers, Pay and Administration and other factors which have been suggested above will have to be transferred to Fleet Establishments and this would make the economies of operation of these two units even more pronounced. Thus for civil service and overhead and maintenance of about $45,000.00 for these two Divisions a figure of probably $10,000.00 would be more than ample.

Another aspect related to costs over a longer period is the fact, as already mentioned, three of the Divisions being closed are in brand new quarters which are more than adequate for the operation of the present unit and presumably would continue to give good service without major repairs or alterations for many years. In contrast some Divisions such as HMCS BRUNSWICKER and HMCS HUNTER are in older buildings whose expected costs of maintenance would probably rise in the future. It is felt that a thorough analysis of the consequences of this aspect of the present plan should be examined before final implementation.

(b)—*Pay and Allowances* Page 29

The Committee has heard many representations across the country in respect of economies which might be effected in Reserve pay. The full gamut of opinion was run from the recommendations that divisions slated for paying-off be allowed to continue with no drill pay and receive pay only for summer training to the other extreme of recommending increase in the present arrangement of 1 day's pay for every two drills. Striking an average of opinion it appears that the present scale of remuneration to Reserves is acceptable. Philosophically it is the opinion of the Committee that, as it has been suggested in one instance, Reserves have expressed their patriotism in the devotion of time and other sacrifices to the Reserve and that, although patriotism cannot be assessed in dollar value, it, of all the virtues might seem to be deserving of reward.

One of the factors in administration of reserve pay and allowances is the preparation of income tax returns. Observing that probably large numbers of reserves have little or no income tax liability, it seems that much administrative effort is wasted in this direction. Also as recognition has been given that in the Regular Force income from sources from outside the Service is shown on a separate return thereby effecting some saving in tax, it would seem that the reserve might have their remuneration for service treated as a form of expense so that it would be tax exempt. The Committee has no figures on what preparation the 2 million RCNR pay and allowances is paid back in the way of taxes, but it must be a small figure in relation to the administrative work required in this connection. A step such as this would be a tangible recognition to the reserves of the appreciation for their services. It is also a fact that much of the reserve pay goes towards transportation to and from the division, taking part in divisional activities and discharging representational functions of the RCNR task. This certainly true in the case of officers which probably leaves them out-of-pocket at

the end of the year, taking into account their pay and allowances received for their RCNR duties.

Comments regarding pay administration are included in Part VIII (c).

The Committee has a duty to represent the feelings expressed for many Division across the country the treatment of Reserve pay as an expense item could also lead to a greater flexibility in their administration of pay and, in fact, might provide them with effective local discretion in the assessment of the value of services rendered by their personnel. Several Divisions suggested that a form of lump sum payment could well be made so far as to recommend that such payment be graduated in a simple approximation of current pay scales appropriate to each rank but be placed as a right only on the basis of 75% attendance with any gradation upwards from the basic minimum being dependent upon attendance at drills not below this percentage. To put it simply they recommended that there should be no remuneration for any officer or man who did not demonstrate his effectiveness to the Reserve by attending at least three drills out of four. The additional discretionary power to be vested in the CO by such a scheme also makes worthy of the fullest consideration.

(c)—*Administrative Procedures in Naval Divisions*

In this regard the Committee received over-whelming opinion that the administration of the Naval Reserve in the Divisions was far too complex and complicated. This was especially true with respect to the pay system which was described as being cumbersome and out of date with modern methods and should be thoroughly reviewed. Also the amount of paper work involved in returns and correspondence is excessive. There had been noticeable increase in this direction since the institution of the Commanding Officer Naval Divisions Command. This again is an area where the Committee's time just does not permit of concrete suggestions as to what forms should be eliminated or how correspondence could be streamlined or particular systems adopted and the Committee will have to content itself with recommending that this matter be thoroughly investigated and the following principles applied:

1. Reduce the number of forms to the bare essentials for the purposes of Reserve units observing that Reserve training, advancement and other matters progresses on a much slower pace than that of the RCN.

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2. That much of the documentation required for Regular personnel is not required by Reserves and this is especially the case insofar as Divisional forms and reports on officers are concerned.

3. While on-the-job training is useful and desirable, if it becomes the only activity in which the Reservist can participate and is on a very limited scale, such as concentration on Divisional work, pay records, etc., it prevents training in other directions to increase technical skills. A change in the Reserve pay system might carry with it the disadvantage that the Reservist is administering a different pay system from that which he will be

called upon to employ in Active service but the training in the Active service pay and accounting systems can be given as formal training tasks. The Committee received three proposal systems revising the RCNR pay system which are appendices numbered 12 and 13.

These are forwarded with the recommendations they be examined and adapted as appropriate. The possibilities of economies being effected should not be overlooked and in the case the proposal from the former Supply Officer of HMCS *DISCOVERY,* an annual saving for the entire RCNR of about $10,000 per year is indicated.

Utilization of Accommodation

In this report comment has been made that informal discussions have been entered into on the local level between Naval Divisions and Militia staffs with a view to ascertaining if some joint occupancy arrangement for the use of Defence Department buildings could not be arranged. The Committee is fully aware that the eventual establishment of the Militia and various components thereof will have to await the report of the commission set up under Brigadier Suttie before any final planning could be done on this aspect. It is the Committee's recommendation therefore that Militia units be authorized to enter into discussions on an official basis with Naval Divisions to work out schemes of accommodation sharing and to this end that the decision for final closing down of Divisions be postponed until after the report of the Suttie Commission is made. This does not relate to the reduction in establishement of the RCNR if this is still considered unavoidable for budgetary purposes and certain other economies whitch would not be affected by such a move, should be implemented without delay so as to achieve savings wherever possible. Conversely Naval Divisions which are presently planned for closing should be authorized to approach the local Militia authorities as to the possibility of housing the Naval Reserve unit in an armoury. This suggestion was raised in at least one Division, namely Regina, and in this case would result in the Division going back to a location which it previously occupied. It would seem, however, on balance wherever possible the Naval quarters should be utilized as in most cases they are newer buildings and therefore require less care and maintenance and also armouries may be located in the centre of urban areas where such problems as parking and traffic have been created and the property on which the armouries are located is probably of great commercial value. All units questioned on the matter of policy insofar as having Naval Reserve and Militia units in the same building agreed that this would be perfectly feasible where the space was available and was a proper approach to greater utilization of properties for defence purposes. However not all Divisions were able to state that they had any additional space and could accommodate Militia units and this is a matter which should be investigated in each individual centre. There is of course a collateral problem to this in that Naval Reserve buildings and Militia armouries are also made available to cadet units and some dislocation of these activities might be unavoidable. The Committee feels that while the cadet activity may not have a direct relationship to the defence

establishment insofar as providing personnel for mobilization every consideration should be given to permitting them to use defence quarters. However on the other side if the policy is to ensure that only military units in the broad sense of the word as defined in the National Defence Act, Section 2 (19), are to be considered then cadet usage becomes secondary after achieving maximum use by such military units.

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IX—ANALYSIS OF POSSIBLE ECONOMIES AND COMMENTS ON DIVISIONS SCHEDULED FOR CLOSING

In the report to this point are many recommendations respecting possible areas where economies can be effected in the operation of Naval Divisions related particularly to the operation of the RCNR. Also reference in what follows is made to a memorandum prepared in respect to "Naval Policy for Reductions in the RCNR"—NSS 2200-64 Pers (N) "M" of 28 November, 1963 (Schedule 10). It is observed that in paragraph 4 reductions be spread evenly between RCNR, UNTD and RSCS. However, in this regard the RCNR budget is being reduced from $3,440,000.00 (excluding Sea Cadets and UNTD) to $2,195,627.00 for a reduction of almost 40%. In contrast the Sea Cadet budget is being reduced from $1,350,000.00 to $1,150,000.00 or about 15%, and the UNTD budget from $859,382.00 to $622,373.00 or about 30%. This does not seem to bear out the observation quoted. In making the following estimates alternative methods of savings, a strength of 3700 RCNR personnel plus 600 UNTD cadets is used as a starting point. The Committee's suggestions respecting re-allocation of funds with the consequent savings in expenditures which seem feasible are as follows:—

	Possible Saving
1. Closing and/or reduction of COND and removal of RCN administration to Ottawa (Part VII(a)).	$ 500,000
2. Discontinuance of training bonus on completion of Naval Training	$ 45,000
3. Reduction in Sea Cadet budget of $200,000 per NSS 2200-64 Pers (N) "M", paragraph 6, of 28 November, 1963 (Schedule 10), and reduction in Sea Cadet Officer drill pay from 30 to 20 days, amounting to $120,000 per Part VII (c).	$ 320,000
4. Reduction of Active Reserve strength from 3700 to 3000 (as temporary expedient) being reduction of $\frac{1}{5}$ reflected in total pay and allowances of $2,000,000.00 less allowance for reduced training bonus for $3,000.00 saving for $210,000.00 for UNTD (Item 8), and drill pay reduction for officers from 30 to 20 days of $37,000.00 (Item 11).	$ 146,000
5. Diversion of Ontario and Quebec Sea Cadets to GLTC, Hamilton, on basis that these account	

	Possible Saving
for ⅓ of travel costs of $220,000.00 to Coasts at estimated cost $21,000.00 in lieu of $71,000.00. Part VII(c).	$ 50,000
6. Estimated savings in Sea Cadet administration and training as per recommendations of Area Officer Pacific, excluding change in S.C. officers pay (covered in Item 3 above) and disregarding proposal re transportation due to unavailability of service facilities. (Appendix 15) ..	$ 10,000
7. Elimination of X-rays and Eye consultations—at least. (Part VI (f)).	$ 6,000
8. Reduction in UNTD on principles contained in NSS 2200-64 PERS (N) "M" of 28 November 1963, Appendix "B" but accepting only a 25% reduction instead of 50%	Page 32 $ 218,000
9. Streamlining RCNR pay system as per proposal of CDR Richardson (Appendices 12 and 13) (Part VIII (c))	$ 10,000
10. Saving in expenditure for transportation by reason of directing RCNR personnel to nearest establishment e.g. NADEN for Western divisions GLTC for Central Division and CORNWALLIS for Maritime Divisions on basis of travelling costs of $310,000. for 1962-63. (Part VI (b))	$ 44,000
11. Reduction in drill pay for RCNR—746 officers from 25 to 30 days. (This does not take into account any reduction in total number of officers)	$ 37,000
SUB TOTAL	$ 1,423,000

The foregoing are savings which may be considered as being achievable in the RCNR as a whole. Following are suggested methods of effecting economies in particular units as volunteered by the units.

Recommendations for specific Economics in Reserve Divisions

The following reductions is Expenditures in Specific Reserve Divisions are based for the most Part on:

(a) Briefs from Commanding Officer of Reserve Divisions

(b) Discussions at the hearing's

(c) Personal observations of operations of Reserve Divisions.

Several Divisions which were not visited, and did not present briefs, have been subjected to small reductions, based on the Committee's opinion.

The Details of these recommended reductions of Expenditures are as follows:

Division	*Expenditure Reduction Due to*	*Amount* $
Chatham	Paid off	67,680
Malahat	Base of operations moved to Naden and Consequent reduction in Administration and maintenance	24,000
Discovery	i) Reduction of RCN Staff (1 officer 3 men) 25,000	
	ii) Abolition of PNO Vancouver, (Reduction of 1 officer an 1 Cl) 15,000	
	iii) Elimination of Motor Transport to the Extent of (buses) 15,500	
	iv) Change of nature of Heating unit with savings fuel and wages of firemen 13,500	
Page 33	v) Eliminate wages of Commissionaires by building chain link fence 4,000	75,000
Nonsuch	i) Reduction of Civil Service Staff by 2 firemen and 1 MTS driver 12000	
	ii) Reduction of RCN Staff by bringing area recruiting officer and the 2 LS from his staff 18000	30,000
Tecumseh	i) Reduction of Civil Service Staff by 1 firemen Labourer and 1 MTS driver 9000	
	ii) Swimming pool to be operated by Non-Public funds 1000	10,000
Unican	i) Reduction of RCN Staff by 1 LS 5,000	
	ii) Reduction of Civil Service by 1 MTS driver 4000	9,000
Queen	i) Reduction in RCN Staff (3) 14000	
	ii) Reduction in Civil Service by 1 MTS driver and 2 Firemen Labourers 12000	
	iii) Savings in fuels by conversion to Natural Gas 500	
	iv) RCN recruiting move into Queen with savings in Rental 3,000	29,500
Chippewa	i) Reduction in Civil Service by 1 MTS driver and 1 Firemen Labourer 8000	
	ii) Reduce RCN expenses by having Supply Officer relieved by C2 and bringing area recruiting Officer and his staff into Chippewa thus allowing for the release of 2 LS/AB from Chippewa 12000	
	iii) Area Recruiting Officer occupying space in Chippewa at a rental savings of 3000	
	iv) Swimming pool to be operated by non-public funds 2000	25,000

Division	*Expenditure Reduction Due To*	*Amount* $
Griffon	i) Reduce RCN staff by removed of Area recruiting officer, Train present RCN staff in Griffon to do recruiting under supervision of ARO—Winnipeg 20,000	
	ii) Change heating unit from present coal-fired boiler to Natural Gas fired unit—savings by reducing Civil Service by 3 firemen 10000	30,000
Prevost	i) Reduce RCN by 1 P1 and 2 LS 14000	
	ii) Change coal fired boiler to gas fired unit thus reducing civil service by 2 firemen 8000	
	iii) Dispense with services of 1 MTS driver 4000	26,000
Hunter	i) Reduce RCN by 1 LS/AB 4500	
	ii) Reduce Civil service by 1 MTS driver 4500	9,000
Star	i) Reduce RCN by placing the area recruiting in Star, this would allow 1 officer to be transferred to other duties. 10,000	Page 34
	* ii) Conversion of oil-fired boiler to gas heating unit with reduction of Civil Service by 4 firemen. 16,000	26,000
York	Although no concrete recommendations for economy were received from this Division, it was considered that, in relation to other divisions, a savings by judicious reductions of RCN and Civil Service staff, a saving could be effected of	70,000
Cataraqui	i) Reduction of RCN by 1LS/AB 4500	
	ii) Reduction of Civil Service by 1 MTS driver and 1 cleaner 7500....	12,000
Carleton	i) Reduction of RCN staff by 1C2 and 1LS/AB 10,000	
	* ii) Change heating unit from coal-fired boiler to gas-fired unit with consequent reduction in Civil Service by 2 firemen-labourers 9,000	
	iii) Eliminate any Headquarters pro-rated charge to Carleton, observing the widespread and continuous use of Carleton by the Regular forces of the Navy, Army, Air Force, and other government departments 28,500....	47,500
Donnacona	The Commanding Officer Donnacona presented to the committee a proposal for reducing RCN staff and substituting civilian cleaning contracts for certain maintenance operations, a saving could be effected of	78,000

Division	*Expenditure Reduction Due To*	*Amount* $
Montcalm	Reduction of RCN Staff by 2LS/AB	9,000
Brunswicker	i) Reduction of RCN Staff by 3LS/AB 13,500	
	ii) Reduction of Civil Service by 1 MTS driver 4,000	17,500
Scotian	i) Reduction of RCN Staff by 2LS/AB 9,000	
	ii) Reduction of Civil Service by 1 MTS driver 4,000	13,000
Queen Charlotte *	i) Convert coal fired heating unit to oil fired unit with consequent reduction of Civil Service by 2 firemen 7,500	
Page 35	ii) Reduce Civil Service by 1 MTS driver 3,500	
	iii) Reduce RCN by 2 RCN Storesmen LS 9,000	
	iv) Combine duties of Staff Officers with Area Officers recruiting, reducing RCN by 1 officer and 1 P2 14,000	34,000
	Grand Total	642,180

It was not possible in the time available to obtain meaningful figures on the operation of Cabot and the Kitchener/Tender.

In addition to the above economies, it is anticipated that substantial savings to the Naval Service can accrue by sharing housing and facilities with the Militia. Details of sharing quarters are now being explored but estimated savings should not be included until the report of the Militia commission is available. The divisions which appear to be most favourably situated in this respect are Nonsuch, Queen, Unicorn, Griffon, Prevost, Star, Kitchener/Tender, Carleton, Cataraqui, Montcalm, Queen Charlotte and Brunswicker.

* The elimination of firemen-labourers is contingent upon meeting the requirements of the Federal Code. A copy of the pertinent regulation is attached.

It is to be understood that the above detailed economies are recommended on the basis that facts and figures supplied to the Committee are realistic. However, it must be noted that many of the authorities with whom financial details were discussed admitted that the accounting system was not completely understood by them.

If, as a result of this, our calculations in the fiscal area are not in accordance with facts that may be unearthed subsequent to this report, the Committee recommends that deficiencies in the RCNR financial requirements be made up from the sea cadet allotment. This recommendation is made in the light of the statements from the more senior and reliable officers of the Navy League of Canada associated with the Sea Cadets, that the RCNR should take priority over the RCSC with respect to the Defence dollar.

COMMENTS ON DIVISIONS SCHEDULED FOR CLOSING Page 36

The following is the Committee's observations and recommendations relating to the divisions which are scheduled to be closed down.

HMCS Malahat

This division is located in a coastal area where personnel are close to their war stations with a minimum of transportation and administrative arrangements. We believe the division can be housed in existing facilities at HMCS NADEN thereby reducing its cost of operation to a negligible amount. The division presently has on strength 48 officers and 141 men and 12 wrens. Because of high availability factors the personnel from MALAHAT are particularly important to the EDP of the Pacific Command. Considering therefore that the only cost of maintaining the division would probably be the reserve pay and allowances the overhead cost of operating the reserve in this division could probably be achieved for about $5000.00 per year which under the circumstances is considered more than reasonable. The committee would therefore recommend that MALAHAT be continued as a division housed in NADEN but its strength be limited to 40 officers (including VC 922), 100 men and no wrens. The air squadron is dealt with separately.

HMCS Chatham

No representations were made to the committee from this unit and it is observed for the numbers enrolled it is not an economical proposition to continue unless greater utilization of the building could be achieved. It would be the committee's suggestion that if the division is to be closed that provision be made to maintain a list of officers required for NCSO and NOIC duties in the area in emergency on the Retired List and funds be made available to ensure that they can take annual training and be called out for special duty from time to time to take part in Pacific Command exercises as appropriate. The saving in this regard including Headquarters' pro rata expense charge to the division seems to be in the neighbourhood of $50,000.00.

HMCS Nonsuch

This division does not adequately utilize its existing quarters and a sharing with a militia unit seems to be not only possible but has been suggested by the division as a way to reduce the reserve share of the cost of operation. It is also understood that the area recruiting staff may occupy this building. This could be done now without dislocation. As the division is situated in a provincial capital where the presence of a naval unit is considered most important, the Committee recommends that this division be retained if sharing arrangements can be made which would divide the cost of operation equally between three votes namely naval reserve, militia and area recruiting. The resulting savings to the naval reserve appropriation for the operation of a building would be in the neighbourhood of $30,000. As the division has not recruited its authorized complement, it is suggested that the reserve unit be 25 officers, 120 men and 10 wrens.

HMCS Queen

This division is also in a building which is not being utilized to its maximum capacity. If the building is acquired by the Army for militia use some sharing arrangement should be investigated but this will have to wait the report of the militia commission. The division is well established in this provincial capital and rather than see the Navy's presence withdrawn in the event of a practical arrangement not being achieved through the use of the building conjointly with the militia. As an alternative approach would be to have the division maintain the name QUEEN as a tender to HMCS UNICORN and carry out its activities in the armouries where it is understood space would be made available. This would be a return to a pre-existing situation. The complement would be established at 15 officers, 75 men and no wrens. If the existing building can be retained a complement of 10 wrens should be allowed.

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HMCS Prevost

This building is not being utilized anywhere near its capacity by the Reserve unit. It is believed that the Army have firm aspirations to acquire it. Discussions on the local level indicate that a sharing arrangement between the Army and Navy is acceptable to all concerned. If the building were occupied equally the cost of operation overhead would be therefore reduced by half as far as the reserve is concerned. Further economies can be effected by converting the heating plant to gas and dispensing with firemen-labourers. There would thereby be a substantial saving to the RCNR on this plan. The division is located in a new building designed specifically for its activities which will have low maintenance cost for many years and London is the centre of a prosperous and heavily populated area which makes the Navy's continued presence there of value especially from a recruiting standpoint. A strength of 20 officers and 100 men is suggested.

Kitchener Tender

This unit under the most adverse circumstances, has survived and shown an esprit de corps which is nothing short of astonishing. Its morale despite the many vicissitudes which have accompanied its existence has never suffered and it serves an outstanding example of what can be done with determination, interest and sincerity. As such qualities are not as prevalant as one would like and despite perhaps the tone of sentimentality which is inherent in this recommendation, it would be the Committee's recommendation that this tender be continued with an authorized strength of 12 officers and 60 men. It is believed that space sharing arrangements are feasible and overhead and maintenance costs therefore become negligible. The cost breakdown provided by COND shows RCN pay and allowances for this division $32,000. This figure is questioned as there is only one Leading Seaman on permanent staff and the division has operated on this basis as a tender to STAR. If a distinctive name could be given to this unit to enhance its separate identity it would serve a fitting tribute to it.

HMCS Scotian

The circumstances in SCOTIAN are similar to that of MALAHAT. Thus the division has a high degree of availability and the personnel are counted upon by the Atlantic Command for filling EDP requirements. It is understood the present building will be retained by the Navy for stores and reserve fleet anyway and therefore technically there is really no cost of supporting the building other than permanent staff, allocated to the division. Despite the overwhelming presence of the Atlantic Command in Halifax, the division enjoys an identity of its own and has an excellent spirit. Because of the importance of its personnel, few of whom would appear to be in reserved occupations, and therefore immediately available for call, its importance in emergency is self-evident. Under the Atlantic Command's requirements, it was expected that SCOTIAN would produce 70 communicators. This is greater than any other division except YORK. The loss of these men would seem to be most unfortunate when considering the factor of availability. Therefore, as the present quarters would be maintained in many event, it would seem the reserve could utilize the present space with no additional financial outlay and it is the Committee's recommendation that the division continue with a strength of 30 officers and 125 men. Because of the limitations of accommodation and location wrens should not be included.

HMCS Queen Charlotte

This division located in a provincial capital and on salt water would be expected to have naval facilities established in emergency. The division is admirably located overlooking the harbour with communication facilities. It is not, however, using its building anywhere near to maximum use for defence purposes, at present, about 75% of the use being to sea cadets and other youth training movements. It is believed the militia also wish to acquire this building and it would seem that some space sharing arrangement is feasible here as in other centres. This will, of course, have to await findings of the militia commission. As the division will not be closed until 1 December of this year, it would seem that there would be no problem in entering into consultation and making concrete proposals Page 38 at a later date, but it is certainly the Committee's recommendation that every effort be made to retain this division because of its particular situation although a complement probably not more than 15 officers, 50 men and 10 wrens is indicated and this should be borne in mind in determining the utilization and allocation of costs between the various users.

Air Squadrons VC 920—VC 922

It is appreciated that air squadrons, as already indicated are relatively expensive as a reserve activity but their importance as a back-up for the regular air squadrons seems to be established. This matter has been dealt with under Part VI (e) and arising therefrom the Committee would recommend the squadrons be retained.

The strength of the units in pilots should not exceed 15 pilots each.

SUMMARY

	Officers	*Men*	*Wrens*
Malahat (including VC 922)	40	100	
Nonsuch	20	120	10
Queen	10	75	10
Prevost	15	100	
Kitchener	10	60	
Scotian	25	100	
Queen Charlotte	8	50	10
VC 920	15		
	143	605	30

This is a total of 798 all ranks.

It is appreciated that the foregoing complements will result in a total of 3,168 (2,390 plus 798). Some divisions e.g. CABOT and BRUNSWICKER have indicated they foresee difficulty in reaching their new complements (and are not up to their old complements) any reductions in these areas will not be felt. On the basis that for the present a Reserve of only 3,000 is financially feasible there will have to be re-allocated personnel from other divisions to find say 31 officers, 107 men and 30 wrens. A suggested approach to achieve this is as follows:

Deduct from new complement of

Division	*Officers*	*Men*	*Wrens*
Chippawa	2	12	5
Discovery	2	12	5
Donnacona	2	12	3
York	2	11	3
Carleton	2	4	
Star	1	4	
Griffon	3	10	
Tecumseh	3	12	
Hunter	2	3	
Montcalm	2		5
Cataraqui	1	2	
Unicorn	1	4	
Brunswicker	6	2	4
Cabot	2	20	5
	31	107	30

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N.B. If no wrens at QUEEN (10) they could be re-allocated to PREVOST.

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X—SUMMARY OF FINDINGS

The Committee summarizes its principal findings as follows:

(1) The increased commitments which the RCN is faced with, dictate the need for a strong and efficient Reserve to back it up in all its elements.

(2) It is impossible to predict the exact nature which requirements for the use of Reserve will take and general areas for the role but tasks of the Reserve which have been outlined are generally satisfactory.

(3) The RCNR is being counted on by the Operational Commands of the RCN to meet Emergency manpower needs.

(4) The RCNR considers itself an integral part of the Naval Service and not "separate Navy", but for budgetary purposes it is useful to separate costs of the Regular and Reserve components.

(5) The RCNR at present cannot meet its commitments under the Emergency Defence Plan.

(6) The loss of trained personnel, amounting to 247 officers and perhaps 400 men of the rank of Leading Seamen and above in the seven Divisions being paid-off will accentuate finding (5).

(7) The implied aspect of providing the numbers of trained officers and senior non-commissioned personnel from the remaining naval divisions is not possible of realization. It has been represented that each naval division has an optimum level of recruiting which in most cases has been achieved and that may increase sufficient to "take up the slack" from divisions slated for paying off is impractical.

(8) The paying-off of some divisions appears to have been done without consultation with the Operational Commands who are most directly concerned with the availability of Reserves in emergency.

(9) The closing of coastal divisions presents a most serious problem to the operational commands on the East and West Coasts. While the representational aspect of these coastal divisions is minimal compared to the RCN establishments, the representational aspect seems to have been given too much consideration in the closure particularly of HMCS MALAHAT and HMCS SCOTIAN. The plain fact is that the Flag Officers concerned depend upon the trained reserve personnel available in these divisions for vital wartime purposes and that their immediate availability is such as to constitute a value to the defence of the country far outweighing their low representational value.

(10) On the other hand, insufficient consideration of representational Page 41
value and naval presence has been given to the following divisions which are scheduled to be closed—HMCS NONSUCH, HMCS QUEEN, HMCS PREVOST, HMCS QUEEN CHARLOTTE and the KITCHENER-WATERLOO tender. HMCS NONSUCH and HMCS QUEEN are located in provincial capitals with all the associated impact which naval presence creates upon provincial government authority. HMCS PREVOST is located in the very heart of south western Ontario's educational, population and industrial area. The KITCHENER-WATERLOO TENDER serves an important population segment. Other reasons for its retention are contained elsewhere. HMCS QUEEN CHARLOTTE is the sole naval representation in a province which historically is part of a Canadian Maritime tradition. It is recognized that no dollar value can be placed upon representation, but nonetheless this naval presence should not have a dollar tag placed upon it when at low cost it re-

minds the population of a largely inland oriented country of its responsibilities.

(11) Due regard has not been given in establishing the complement of the RCNR for its employment in emergency, to the fact that many men (about 30%) are under 18 and not trained or available because of age and Wrens are not suitable for appointment to many positions in outlying posts where NOIC's and NCSO's are to be established.

(12) By virtue of the characteristics of a Reserve force under Canada's Voluntary enlistment policy, large turnovers in personnel are to be expected (as is the case with the RCN) and therefore some over-complementing is required in the nature of perhaps 20% of requirements to ensure adequate numbers of trained personnel.

(13) The RCNR is basically well suited to and appears satisfied with the tasks allotted to it by Naval Board Minute of 9 November, 1960.

(14) The Sea Cadet training programme, heavily subsidized by the Department of National Defence, parallels to a great extent the training of junior men of the RCNR, so that the RCNR gets little benefit from the Sea Cadet movement by way of recruits, due to lack of challenge and regard for the ability of the Senior Sea Cadet.

(15) Sea Cadet Officers, serving as leaders of what is essentially a youth movement similar in many ways in its aims to the scout movement, are serving in a particular status unlike their counterparts in these other youth movement. These officers of the Royal Canadian Sea Cadets will, notwithstanding the proposed economies, be eligible to receive 30 days pay per year as opposed to the 20 days proposed for the more highly trained officers of the RCNR. We further find that Sea Cadet Officers could be expected, without significant loss in numbers, to accept a reduction to at least the level of allowable pay as their counterparts in the Naval Reserve of which they are a component. (QRCN Art. 2.03(i)(d)).

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(16) The revised training programmes for the RCNR have not been in force for a sufficiently long period to be able to rectify the disabilities resulting from several years of attempting to train the RCNR to unrealistic technical standards.

(17) Greater utilization of many Naval Divisions for Defence purposes is practicable and feasible by sharing facilities with Militia units. This might result in some dislocation to Cadet units, but as these are not elements of the Defence establishment and have no obligation thereunder, other factors must govern.

(18) Consequent on (17) costs of Operation and Maintenance of Divisions where arrangements for joint use are entered into and a resulting pro rating between user is arrived at by the units concerned, no increase in total defence costs should result but a more economical allocation of the RCNR's share would be achieved.

(19) The proposed cut in the RCNR budget of $1.8 million is not resulting in 33⅓% cut but closer to a 40% cut, as no comparable

cut is being made in Sea Cadet costs which are considered as part of the RCNR budget.

(20) The Training bonus payable to RCNR personnel on completion of Naval Training does not constitute a measurable incentive to recruitment or attendance at training.

(21) Economies in transportation of RCNR personnel for Naval Training could be effected by sending Western personnel to Esquimalt and dividing Eastern personnel between GLTC at Hamilton and East Coast establishments.

(22) The Fleet Establishments at Halifax, Cornwallis and Esquimalt are physically capable of accommodating RCNR personnel on Naval Training and can deal with the instructional staff requirements by having RCNR personnel on Special Duty as is now being done at Great Lakes Training Centre.

(23) The UNTD plan of officer training for Reserve Officers is valuable and should be continued but directly related to the needs of the RCNR for Active Officers.

(24) The UNTD programme trains many cadets who are unlikely to serve as officers on the Active List of the RCNR because of the location of the campus, the courses being taken and the places where the Cadets come from. Small UNTD units absorb an undue amount of personnel and administrative effort for the numbers produced.

(25) The morale of the RCNR has been shaken by the method by which the planned reductions were effected.

(26) The present low age limit for recruits leads to considerable turnover in personnel.

(27) Substantial economies to the RCNR vote can be effected by:

(*a*) Sharing accommodations with other military units;

(*b*) Converting heating plants to fuel requiring less supervision;

(*c*) Streamlining pay administration procedures and policy respecting issuance of kit; Page 43

(*d*) Reduction in RCN and Civil Service staffs at Divisions;

(*e*) By reviewing the needs for motor transport. Many Divisions indicated Staff Cars were not essential.

(28) A projection for an adequate complement for the RCNR is impossible under the conditions of change existing in the RCN. Such changes will probably reflect a greater need for the RCNR whose complement, even now, is inadequate.

(29) Cost figures related to the operation of the RCNR require greater analysis, exhaustive and comprehensive study in order to arrive at a true figure of the cost of the RCNR establishment and to provide maximum information to assist the decision making process in respect thereto.

(30) In many cases the operation of a tri-service recruiting unit in centres which have Naval Divisions, is expensive in money and manpower insofar as the Naval Service is concerned. Having regard to the fact that Naval Divisions across the country (particularly inland) constitute the naval presence in the area, and remain the focal point of interest for recruiting enquiries.

(31) Full advantage is not being taken of the Conference of Commanding Officers of Naval Divisions as a consultive group of responsible and interested persons qualified, apart from their Naval Association, to discuss planning and policy for an effective Reserve. In extension of this finding it would appear that full advantage is not being taken of the wealth of technical, professional and business skills existing in the RCNR.

(32) The establishment of COND originally assisted the organization and improved the stature of the RCNR but it has become expensive and over-centralizing in its operation without commensurate continuing advantage.

(33) There appears insufficient communication as to the requirements of the Reserves for Emergency purposes between operational Commands and Naval Headquarters and COND.

(34) The personnel and facilities which constitute the establishment HMCS PATRIOT, Headquarters of Commanding Officer Naval Divisions, are excessive. In view of the currently constituted role of the Reserves based on the revised training requirements, the necessity to provide in terms of personnel alone an establishment in which one full time person serves every twenty-seven reserve personnel is questionable.

(35) The calibre of personnel sent to the RCN staff of Naval Divisions often leaves much to be desired. This has an adverse effect on the operation of the units and is poor public relations for the Navy.

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(36) New Entry training of RCNR personnel would produce better results if carried out in the Fleet Establishments on the Coasts, an advantage which can compensate for the failure which sometimes occurs in providing sea billets.

(37) According to the figures available, there is a lack of proper costing of the Naval Reserve, and included in the direct and indirect costs of the RCNR are many hidden factors which, if extracted, would reduce the apparent reserve budget by a considerable figure. A great proportion of these hidden expenses in the reserve vote are directly attributable to RCN commitments which involve support of such as RCN recruiting, Sea Cadet and Navy League Cadet movement, support of Regular Force Training Plans in Universities, support of RCN special commitments, e.g. RCN officers attached to Universities for courses, and support of RCN bases, e.g. HMCS NONSUCH for the RCN Base at Inuvik and many other support functions too numerous for detailed mention.

(38) The RCNR pay system, closely tied to the RCN, is time-wasting and expensive. The arguments for its retention based on "on-the-job training" are not valid in terms of the current drive for economy. If training in the RCN system is essential it can be done through theoretical practice.

(39) The motivation of the average naval reserve is not concerned primarily with pay, but the patriotism and service of naval reserves should not be expected gratuitously.

(40) The Royal Canadian Sea Cadets are a vital part of a youth training program in this country and a valuable recruiting ground for the Royal Canadian Navy but this excellent move-

ment, attached to, administered by, and paid from a vote which is closely allied to the naval reserve vote, is not productive of results in reserve recruiting.

(41) The separation of the reserve personnel administration from both Flag Commands and Headquarters, the setting up of a new Command with its own administrative procedures seems to have resulted in a reduction in the capability to assess, with immediacy, accuracy and understanding, the potentialities which exist in the Reserve as a whole and in its personnel individually.

(42) The full possibilities of savings through greater utilization of buildings by Naval Divisions cannot be assessed until the report of the Militia Commission is compiled, but it would seem it could be in the neighbourhood of $100,000 if joint Navy, Militia and RCAF (Auxiliary) occupancy is entered into.

XI—SUMMARY OF RECOMMENDATIONS

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The following is a summary of the principal recommendations contained in this report:

(1) Every effort be made to avoid any further reduction in the RCNR and any economies which can be effected in its operation should be translated into the restoring its complement at least to that figure originally projected for the current fiscal year.

(2) The closing out of seven Divisions and Air Squadrons be reconsidered so as to avoid the loss of the trained personnel borne.

(3) The present plan for reducing the RCNR be held in abeyance until the report of the Militia Commission is brought in, so that joint plans for greater utilization of DND buildings can be achieved with their accompanying economies.

(4) Reductions in allowance for drill pay for Sea Cadet Officers to the same level as being planned for Reserve Officers be made with the consequent savings applied to the RCNR establishment.

(5) Consideration be given that in appropriate cases, RCN recruiting offices be re-established in Naval Divisions where economies are clearly indicated as being obtainable.

(6) The requirement of trained personnel to meet the commitments of the EDP, makes it mandatory to maintain the Divisions now planned for closing.

(7) The RCNR pay system be revised to a view to simplifying it so that it can be handled by modern business machine accounting systems.

(8) Personnel administration especially in respect to multiplication of reports, returns and other documentation be revised and the principle of the administration of the RCNVR prior to 1939 be borne in mind with a view to simplifying procedures in this regard.

(9) The age limit for RCNR recruits be raised to 17.

(10) Training of Reserves be decentralized so as to direct personnel to the nearest of the following three locations: Esquimalt, Hamilton and Cornwallis or Halifax with resultant savings and transportation costs.

(11) Provide facilities at GLTC Hamilton for summer camp training of Sea Cadets from the central Canada area, and transportation costs saved thereby applied to the RCNR budget.

(12) Establish a closer liaison and a more definite and rewarding system of progression from the Sea Cadet training programme to the RCNR training programme, especially to take into consideration the possibility of higher rank being granted to senior Sea Cadets on enlisting into the RCNR.

(13) Eliminate the training bonus paid to RCNR personnel on completion of naval training.

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(14) The UNTD programme be reviewed to eliminate units which make little or no contribution to the production of officers for the Active List of the RCNR.

(15) In any complement plan provision be made to permit a short fall in complement in one Division to be taken up by other Divisions on a pool system so as to ensure that the Reserve will train to the maximum allowable.

(16) Proper pre-planning of the movements of Reserve and Sea Cadet personnel to be correlated with similar planning in the movements of service transportation of all kinds to effect economies in proceeding on training.

(17) Availability of vessels for periodical use by Divisions for local training programmes be continued and expanded whenever possible due to the advantage gained from such training and the generation of interest and esprit de corps in the units.

(18) The UNTD programme to be continued and emphasis placed on its purpose of providing officers for the active RCNR. Enrolment in the UNTD to be conditional on acceptance of an obligation to serve as an active Reserve officer on commissioning for at least three years.

(19) Any consequent reductions in full time staffs in Divisions as a result of recommendations herein to be regarded as saving in cost of administration of the RCNR and be applied thereto.

(20) Greater attention be given to the calibre and qualities of RCN staffs appointed to Divisions observing that in many cases their responsibilities are considerable and without continuous supervision and also that such personnel embody the Navy's reputation to the public in centres throughout Canada.

(21) Medical procedures for entry be reviewed and simplified by qualified reserve medical officers with a view, interalia, to eliminating the necessity for X-ray examination and clinical eye consultations.

(22) The training process to be reviewed with the object of injecting a more lively and professional approach to the instruction schedule. In this review a study of the most rewarding ratio of classroom and practical instruction in a given period of time should be emphasized.

(23) The present Reserve administration centered under the Commanding Officer Naval Divisions be abolished and reserve administration be returned to Naval Headquarters as a Directorate of Reserves. The Officer-in-Charge of the directorate to be an associate member of the Naval Board and otherwise responsible to CNP. It is estimated that not more than $\frac{1}{3}$ of the present operating cost at COND would be required for Reserve administration on the adoption of this step.

(24) Kit on entry of RCNR Ordinary Seaman be restricted to basic uniform. Balance to be issued on completion of satisfactory service prior to Naval Training at CO's discretion.

(25) Greater advantage be taken of the experience of officers Commanding Divisions in consulting on reserve policy matters and consideration be given to establishing a permanent Ad Hoc Committee of suitable personnel in this regard working through the Navy's participation in the Conference of Defence Associations as represented in its component, the Naval Reserve Consulting Group. In this connection, it is pointed out that the CDA is constituted of representatives from all three Services. Page 47

(26) A review and reassignment of the plans and policy outlined in NSS 2200-64 Pers(N) "M" of 28 November, 1963 (Schedule 10) be forthwith undertaken in the light of the findings and recommendations herein.

(27) In light of the economies indicated herein, and as a corroboration of the purpose for the establishment of the Committee as outlined in the letter of the Honourable the Associate Minister of National Defence dated 17 January, 1964, prompt and immediate steps be taken to implement any action which is indicated insofar as a change in the present plans for paying-off Divisions concerned. Inherent in this, is the need to avoid unnecessary disposal of property and equipment which will be required for units which can be retained.

SCHEDULE 1

CONFERENCE OF DEFENCE ASSOCIATIONS

Suite 300,
590 Jarvis Street,
Toronto 5, Ontario.

January 21, 1964.

Chairman, Divisional Group,
Naval Reserve Consulting Group,
c/o Commanding Officer,

Ministerial Committee on the Organization of the RCNR

At the Annual Meeting of the Conference of Defence Associations held in Ottawa during the 16th-18th January, 1964, discussions were entered into with respect to the recent announced reorganizations of the Reserve Forces of all three Services. Arising out of these discussions representations were made to the Minister of National Defence, who readily agreed to the establishment of committees of Reserve Officers of the Navy and RCAF to hold hearings and report back to him by the 15th February, 1964, their findings in respect to the organization of the Reserve components of these two Services. For the Navy these representations resulted from the participation of the Naval Reserve Consulting Group in the Conference of Defence Associations. A copy of the resolution passed in respect to the Navy and RCAF is enclosed as Enclosure 1 to this letter. Also enclosed, as Enclosure 2, is a press release summarizing the deliberations of the Conference generally and particularly comments of the Minister of National Defence with respect to the role of the Reserve Forces.

The Executive of the Conference of Defence Associations decided that the Committees would be most suitably headed by the representatives of their respective Services on the Executive. The following is the Committee which has been struck for the RCNR:

Chairman: Commodore R. I. Hendy, RCNR (Ret'd)

Members: Captain L. B. McIlhagga
Captain W. R. Inman
Captain A. W. Ross

It will be appreciated that by reason of the short time in which the Committee will have to work before its report is to be submitted to the Minister that considerable urgency is required on the part of all those who wish to have their views placed before the Committee, either by written brief or oral presentation, at the hearings of the Committee when held in various centres in Canada as will be referred to hereafter.

As a background to the Committee's work, reference should be made to the press release which is enclosed and the summary of the Minister of Defence's remarks to the Conference. Insofar as the report of the Committee is concerned its establishment is not to be interpreted as an assurance that any change will be made in the plans already announced. Also it should be appreciated that the changes are not dictated by any failure to appreciate the need for Forces on a stand-by or Reserve basis to back up the regular components. However, as has been announced on other occasions and

emphasized to the Conference, the problem is one of the best utilization of the funds made available to the Department of National Defence to discharge its duties. It is therefore essential to ensure that the most effective fighting forces are produced for the share of the national budget which is available to the Defence Department. Canada's international commitments are of course of prime importance and the fulfilment of these makes far and away the greater demands for money. While, therefore, there is a well defined role for the RCNR in the National Defence picture it, like any other component of the Services, will only justify itself in accordance with the need for it in relation to the priority it can command in respect to the money being spent on defence. The immediate matter which is the concern of the Committee will therefore be to assess the form of the RCNR, within the financial ceiling imposed on the monies planned for allocation for the purposes of the RCNR. In this regard the statement by the Minister of National Defence, Enclosure 2, regarding the importance of Reserve Forces in the defence establishment should serve to encourage those who are devoting so much time and energy to the creation of effective Reserve Forces.

The foregoing is the background for the form and approach which it is expected will provide the basis for briefs and oral representations to be made before the Committee and the survey which it will be conducting.

You will note from the Minister's release the emphasis on Forces in being. This, of course, implies personnel ready and available on a moment's notice to take part in some activity which becomes the duty of the Department of National Defence to provide, whether in war or in an emergency as a preliminary to war or arising out of some other circumstances such as national disaster.

While the Committee therefore is not in a position to direct the form which submissions and briefs to it will take, because of the particular circumstances arising out of the formation of the Committee and also due to the time element involved, those wishing to make presentations might be assisted if some indication of the approach to this matter was indicated. Accordingly it is suggested that in preparing material for the Committee regard should be had to such items as the following:

1. Ways and means by which expenditures may be reduced and economies effected so as to produce a better reserve for the money being spent in (*a*) all phases of the RCNR's activities, (*b*) in particular areas. In this regard certain economies in such matters as occupation of barracks which could be considered especially from the approach of greater utilization of Department of National Defence property and certain economies may suggest themselves by investigation of the possibility of units of different Services sharing accommodation. This would seem to be a very worthwhile area in which money could be saved which might lead toward the operation of units at no additional cost and a greater utilization of facilities, as well as leading to greater liaison between the Services at the Reserve unit level.

2. Recommendations with respect to retention of units which are presently planned to be closed can only be entertained if economies can be effected sufficiently to justify their preservation.

3. The role of the Reserves in war or emergency—and ability to discharge functions which can economically be performed by Reserves as forces-in-being, notwithstanding their stand-by position.

It should be emphasized that in the establishment of the Committee the greatest co-operation from the Minister and Associate Minister of National Defence, their staffs and the Navy has been forthcoming. The members are confident that as a result of the Committee's investigation constructive suggestions for the improvement and efficiency of the RCNR will evolve.

It is appreciated, because of the shortness of time, that it would be impossible or difficult to get adequate representation to the Committee entirely by brief. As a result, therefore, while briefs will be most welcome—and the more that can be sent in in advance of the hearings being held the better—a schedule of hearings has been set up for various centres across Canada which is as follows:

Prevost	1030/25th January
Star	1000/26th January
York	1500/26th January
Discovery	0900/29th January
Malahat	1400/30th January
Nonsuch	0900/31st January
Queen	0900/1st February
Chippawa	1000/2nd February
Donnacona	1000/6th February
Scotian	1000/8th and 9th February
Carleton	0900/12th February

Further, it has become impossible to evolve an itinerary to cover the twenty-two localities where Naval Reserve Units are located in the time available and be able to compile all the material into a report to be placed before the Minister of Defence by the 15th February. Therefore in drawing up the foregoing programme it is hoped that for those places where hearings will not be held they will appear before the Committee if they so desire at the nearest centre to which the Committee will be sitting. As a suggested list the following is set forth, showing the place of hearing on the left hand column and the centres who might utilize the existence of the Committee hearing in that centre to attend and present their views:

York	Kingston, Kitchener
Prevost	Windsor, Kitchener
Carleton	Kingston
Scotian	St. John, Charlottetown, St. Johns,
Donnacona	Quebec, Kingston
Star	Kitchener
Discovery	Prince Rupert
Nonsuch	Calgary, Saskatoon
Queen	Calgary, Saskatoon
Chippawa	Port Arthur

It is intended that hearings will be held in the respective Naval Divisions in the centres concerned and for this purpose a room will be required and suitable stenographic assistance made available to record the proceedings and take minutes thereof. Further administrative requirements or advice will be made available as the Committee's deliberations proceed.

Finally, it has been agreed that representations in respect to the Committee's work will be welcome from other interested organizations such as The Navy League of Canada and The Naval Officers Association of Canada and any whom feel they can contribute to the work of the Committee and the preparation of an effective and useful report.

ROBERT I. HENDY
Commodore, RCNR (Ret'd), Chairman,
Ministerial Committee on the Organization of the RCNR.

RESOLUTION

WHEREAS the reserve components of all three armed services have recently been examined and certain plans have been announced in respect thereto; and

WHEREAS a commission has been established to deal with the Militia aspects implicit in such examinations, no comparable steps have been announced for reserve components of the Navy and Air Force; and

WHEREAS the conference recommends that a similar approach is desirable in respect to the RCNR and RCAF (Aux.);

NOW THEREFORE BE IT RESOLVED that the Minister of National Defence be requested to authorize appropriate committees of the conference to be established and empowered to inquire into and bring forth recommendations directed to the structure, operational capability and establishment of the RCNR and RCAF Auxiliary and that pending the reports of such Committees, plans already announced in respect to the RCNR and RCAF Auxiliary be held in abeyance.

Press Release Re Conference of Defence Association—1964

Lt.-Col. William R. Learmonth of Toronto today was elected Chairman of the Conference of Defence Associations for the ensuing year. He succeeds Lt.-Col. LeSueur Brodie of Toronto. Lt.-Col. B. J. Legge of Toronto was named Vice-Chairman.

The Conference is comprised of member associations from all three branches of the armed forces. Its object is to consider defence problems and "to assist the government in placing these problems before the people of Canada".

A resolution was passed expressing pleasure that the Department of National Defence continues to recognize the significance and importance of the Conference and the wealth of experience embodied in its membership. The Conference also endorsed the principle of the plan of the Ministers of National Defence to continue to seek the advice of the Conference while matters relative to the reserve forces are under study.

Defence Minister Paul Hellyer outlined the background of defence problems related to changes in Canadian foreign policy since the Second World War. He answered questions during an open discussion period.

Mr. Hellyer stated that Canada's acceptance of the UN Charter and association with NATO, together with continued co-operation in continental defence, resulted in widespread commitments to maintain forces in peacetime.

Strategic situations in the world today place emphasis on forces-in-being to deter major war and engage in peacekeeping activities. Roles of the reserve forces were being restated in relation to the existing strategic situation.

Mr. Hellyer said that the reserve forces have a continuing important part to play in varied roles—national disaster, civil survival and as a potential mobilization base if it should be required. The level of resources available for these roles, however, had to be weighed against other commitments.

After consultation with the Conference Executive, Brig. E. R. Suttie of Montreal was named as Chairman of the Commission on the Reorganization of the Canadian Army (Militia). The formation of this commission has a precedent in the Board of Officers set up in 1953 under Maj.-Gen. Howard Kennedy of Ottawa. Parameters of the defence department's requirements, and roles to be filled by the Militia will be set by the department for the Commission's reference.

The Commission will report direct to the Ministers but will have the full co-operation of the Regular Army in its work. Mr. Hellyer also announced that he had received advice from the Conference on their appointment of RCN and RCAF committees to discuss reorganization in the Reserves of both Services with him. The RCN reserve committee will be headed by Commodore R. I. Hendy of Toronto, the RCAF (Auxiliary) Committee by Group Captain W. J. Draper, of Toronto.

Mr. Hellyer said that the reorganized reserve should be more effective and should have clearly stated aims and responsibilities, thus enhancing morale of personnel in the units.

Talks between the Ministers and the Conference were most useful and helpful. The exchange of views placed mutual problems in perspective.

APPENDIX "C"

NOTE: *Original pagination of this Report is indicated in margin.*

REPORT OF THE MINISTERIAL COMMITTEE ON THE ROYAL CANADIAN AIR FORCE AUXILIARY

Chairman: G/C JWP Draper, DFC, CD
CO 14 Wing HQ (Aux) Toronto

Vice-Chairman: G/C DC Cameron, CD
CO 19 Wing HQ (Aux) Vancouver

Members: G/C HJ Everard, DFC, CD
CO 11 Wing HQ (Aux) Toronto

G/C DM Gray, CD
CO 17 Wing HQ (Aux) Winnipeg

Secretary: F/L PB Sutherland, CD
AFHQ/AMP/CPERS/DPC/PC4-2

Introduction

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This Committee report was prepared in keeping with the following terms of reference:

(*a*) to advise the Minister of National Defence regarding the future of the RCAF (Auxiliary).

(*b*) to recommend the best role, size, composition and program for the RCAF (Auxiliary) in the immediate future consistent with financial savings involved in the reductions recently announced.

Hearings were held with representatives of all eight RCAF Auxiliary Wings at Winnipeg on 1 and 2 February to consolidate the findings of the Wing submissions. The Committee met in Ottawa on 8 and 9 February to finalize the elements of this submission.

In the limited time available the Committee has attempted to develop a broad concept for the RCAF Auxiliary rather than a detailed study and suggests that the findings, if acceptable, form the basis for a further detailed study by a committee of Regular Force personnel in concert with selected Auxiliary personnel.

The Committee has been guided in its deliberations by the belief that no military formation should exist unless there is a need for it and conversely that a unit should not be disbanded because it costs money but rather because it makes no worthwhile contribution. It is the opinion of the Committee that there is a need for Reserve Forces in Canada and that they make a contribution to the defence posture of the country that fully justifies the money expended on them.

Summary

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The findings of this Committee are that:

(*a*) the RCAF Auxiliary should be organized and equipped to provide an Army Air Support capability in the field of mobility, tactical and logistic support.

(*b*) the RCAF Auxiliary should be part of a Tactical Air Group providing the services required by a closely integrated defence establishment.

(*c*) consideration should be given to the amalgamation of DND buildings and facilities for the Reserve components of all three Services.

(*d*) Auxiliary flying squadrons can operate effectively from non-RCAF bases by leasing accommodation and purchasing depot maintenance.

(*e*) with the implementation of the above a significant reduction of Regular Force Support Personnel can be realized.

(*f*) more Auxiliary flying squadrons could be supported within the budgetary limitations using the above noted plans.

(*g*) the present flying units slated for disbandment should be de-activated but not disbanded until a closer study of the feasibility of these proposals is made.

(*h*) there is no financial justification for the retention of Medical Units and Technical Training Units.

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(*i*) the Terms of Service of an Auxiliary Officer or Airman should be changed to ensure his availability when required.

(*j*) there are aircraft in the RCAF inventory which would permit more effective utilization of the RCAF Auxiliary.

(*k*) A Senior Staff Advisor for Auxiliary Policy matters is a definite requirement. This position could be filled by an Auxiliary Air Commodore acting in an advisory capacity as required. It might also be filled by the addition of another Regular Force Group Captain appointed to the staff of Air Transport Command Headquarters whose sole responsibility would be the supervision of all Auxiliary matters.

Primary Role

It is the Committee's firm belief that the most effective role for the RCAF Auxiliary is that of Army Air Support. This would provide mobility, and tactical and logistic support to the Canadian Army Units or Militia Brigades in a training function in Canada during peace time, or in full military service anywhere in the world as required by the Minister.

These categories encompass the following activities, but exclude long range transportation as provided by Air Transport Command, and those air observation functions presently provided by the Canadian Army.

Mobility:

The ability to move small fighting or specialist parties into, within, and out of a localized operational area using STOL Aircraft such as the Otter.

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Tactics:

(*a*) Close support with an air to ground attack capability utilizing training type aircraft for the most effective ordnance delivery.

(b) Photo reconnaissance in support of ground forces using present equipment and with infra-red and electronic equipment a possibility in the future.

(c) Air to air and air to ground communications capability.

Logistics:

The capability of moving the necessary men, materiel and equipment to support the operation within the forward area.

Secondary Role

In addition to the Primary Role proposed for the RCAF Auxiliary, the flying squadrons are capable of continuing to perform the following secondary tasks without any change in existing equipment.

(a) Short range transport in support of Air Transport Command.

(b) Search Operations.

(c) Aid to the Civil Authorities in the event of a regional emergency or disaster.

(d) Rescue and Mercy Flights.

The ability to perform these peace time tasks, in the future, as in the past, enables the RCAF Auxiliary to provide useful return for a portion of the money expended on traniing it for its war time role.

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Terms of Service

In order that the maximum benefit may be attained from having Reserve Forces, this committee recommends minor changes in the National Defence Act, to permit the call-up of Auxiliary Units at the discretion of the Government of Canada, for Service anywhere in the world for periods in excess of three months, for commitments less than a national emergency.

Equipment

Both primary and secondary roles can be performed now using present equipment. It is, however, recommended that long range planning be initiated with a view to equipping the Auxiliary with more suitable aircraft, as the role develops and the real needs become more apparent.

The Otter aircraft on strength are ideally suited to the proposed tasks, and would require only the eventual installation of adequate air to ground communication equipment. The C-45 Expeditor aircraft can be used in the initial training phase. However, it has little logistic support capability and therefore it is recommended that the Auxiliary be equipped with C-47 Dakota aircraft now being declared surplus until new equipment can be procured.

Location of Units

Auxiliary flying squadrons should be located in those areas in which they could be most effectively used in the fulfilment of their primary role, and in which there is a concentration of population sufficient to support them.

As their primary role would be Army Support, the number of squadrons required, and their location, will depend on the final configuration and location of the Army Units.

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The Committee considers that it is entirely feasible to operate squadrons in cities in which there are no RCAF bases. This could be accomplished by renting hangar facilities and combining with the Army and Navy units for Mess accommodation. Supply, accounting, and other services could be obtained as required from the nearest permanent RCAF base.

Operating Costs

It is felt that substantial savings could be realized in the following areas:

(*a*) reduction of Regular Force Support Units by
  (i) centralized maintenance on conveniently located RCAF bases.
  (ii) maintenance by civilian contractors for units located on non-RCAF bases.

(*b*) closing of some existing RCAF Auxiliary Urban Headquarters and locating them in other DND facilities; or alternatively leasing these requirements.

(*c*) reduction of some Auxiliary Wing or Squadron positions.

(*d*) disbandment of all Auxiliary Bands.

Search operations in our peace time role consume a great portion of our Auxiliary Budget and the cost is uncontrollable. It is felt that the allocation of the cost of these operations should be investigated.

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Recommendations

The relatively short time allotted to prepare this submission has precluded a definitive study. It is suggested that if the broad principles outlined are found to fit within the over-all Defence Policy of the Government, a detailed study should be undertaken to determine how best these principles can be implemented. This study should be undertaken by the RCAF Regular in concert with selected Auxiliary personnel, whose knowledge and experience of the limitations and capabilities of Reserve personnel should be utilized.

The Committee agrees with the disbandment of the Medical Units and the Technical Training Units but suggests that the economies outlined in our submission are such as to permit the retention of further flying units at locations as required. Therefore, we suggest that the flying units affected by the recent announcement be de-activated but not disbanded and that their facilities remain on Air Force inventory until such time as the detailed report be submitted.

APPENDIX "D"

SUMMARY OF MILITIA EFFECTIVE STRENGTHS

By Areas/Militia Groups as of 31 May 64

	Location	Effective Str Offrs	ORs	Total
Newfoundland Area (Nfld Area)				
No 1 Militia Group				
1 Militia Group HQ	St John's, Nfld.	12	10	22
56 Field Squadron	"	8	40	48
The Royal Newfoundland Regt	"	32	469	501
Transport Platoon No 111 Coy RCASC	"	1	11	12
Food Service Pl No 111 Coy RCASC	"	—	—	—
1 Medical Coy	"	14	38	52
112 Manning Depot	"	12	24	36
Total Nfld Area		79	592	671
Nova Scotia and Prince Edward Island Area (NS/PEI)				
No 2 Militia Group				
2 Militia Group HQ	Charlottetown, PEI	13	8	21
The Prince Edward Island Regt	"	26	266	292
5th Signal Regt	"	20	163	183
Transport Platoon No 110 Coy RCASC	"	—	—	—
Food Service Pl No 110 Coy RCASC	"	1	9	10
5 Medical Coy	"	11	40	51
2 Secs, 5 Pro Coy	"	1	17	18
No 3 Militia Group				
3 Militia Group HQ	Sydney, NS	13	7	20
6 Indep Field Artillery Bty	"	9	167	176
45 Field Squadron	"	6	98	104
2nd Bn Nova Scotia Highlanders	"	33	306	339
111 Coy RCASC	"	11	57	68
6 Medical Coy	"	19	32	51
No 4 Militia Group				
4 Militia Group HQ	Halifax, NS	9	5	14
The Halifax Rifles	"	16	182	198
1st Field Artillery Regt	"	25	98	123
5th Field Engineer Regt	"	15	64	79
6 Signal Regt	"	10	59	69
No 1 Column RCASC	"	17	115	132
2 Medical Coy	"	11	20	31
Eastern Command Med Advisory Staff	"	—	—	—
50 Dental Unit	"	21	5	
Eastern Command Dental Advisory Staff	"	1	—	1
A Coy, 1 Ordnance Bn	"	14	40	54
20 Technical Sqn	"	8	50	58
Eastern Command Chaplain Unit	"	32	—	32
5 Provost Coy	"	3	51	54
3 Intelligence Training Coy	"	8	14	22
Eastern Command Personnel Selection Unit	"	9	3	12
101 Manning Depot	"	22	32	54
Under Command NS/PEI Area HQ				
14th Field Artillery Regt	Yarmouth, NS	35	299	334
1 Nova Scotia Highlanders	Amherst, NS	40	495	535
The Princess Louise Fusiliers	Halifax, NS	17	98	115
The West Nova Scotia Regt	Aldershot, NS	39	468	507
Total NS/PEI Area		515	3,268	3,783

	Location	Effective Str Offrs	ORs	Total
New Brunswick Area (NB Area)				
No 5 Militia Group				
No 5 Militia Group HQ	Moncton, NB	14	36	50
8 Canadian Hussars	Sussex, NB	38	272	310
4th Independent Signal Sqn	Moncton, NB	5	31	36
2nd Bn, The Royal New Brunswick Regt	Bathurst, NB	38	487	525
113 Coy RCASC	Moncton, NB	7	88	95
3 Medical Coy	"	8	20	28
21 Technical Sqn	"	7	107	114
16 Provost Coy	"	4	58	62
No 6 Militia Group				
6 Militia Group HQ	Saint John, NB	12	15	27
3rd Field Artillery Regt	"	28	211	239
12 Field Regt	Fredericton, NB	28	206	234
1st Field Sqn	Saint John, NB	2	58	60
5th Independent Signal Sqn	"	5	63	68
6th Independent Signal Sqn	Fredericton, NB	6	48	54
1st Bn, The Royal New Brunswick Regt	"	39	460	499
112 Coy RCASC	Saint John, NB	11	79	90
4 Medical Coy	"	10	31	41
51 Dental Unit	"	11	11	22
102 Janning Depot	"	32	86	118
Total NB Area		305	2,367	2,672
Eastern Quebec Area (EQA)				
No 7 Militia Group				
7 Militia Group HQ	Quebec, Que	19	9	28
57 Locating Artillery Bty	"	3	19	22
10 Field Sqn	"	8	76	84
3rd Independent Signal Sqn	"	8	65	73
The Royal Rifles of Canada	"	19	110	129
Les Voltigeurs de Québec	"	26	139	165
The Regiment du Saguenay	Chicoutimi, Que	39	262	301
2 Column RCASC	Quebec, Que	22	175	197
7 Medical Coy	Ste-Foy, Que	32	77	109
2 Ordnance Bn, A Coy	Beauport, Que	13	37	50
25 Technical Sqn	Arvida, Que	9	111	120
42 Technical Sqn	Quebec, Que	7	62	69
4 Provost Coy	Beauport, Que	5	47	52
103 Manning Depot	Quebec, Que	29	45	74
No 8 Militia Group				
8 Militia Group HQ	Levis, Que	9	8	17
6 Field Artillery Regt	Quebec, Que	41	299	340
15 Field Sqn	Thetford Mines, Que	3	91	94
Les Fusiliers du St-Laurent	Rimouski, Que	43	431	474
Le Régiment de la Chaudière	Levis, Que	38	420	845
Total Eastern Quebec Area		373	2,483	2,856
Quebec Command (Less EQA)				
No 9 Militia Group				
9 Militia Group HQ	Sherbrooke, Que	13	6	19
The Sherbrooke Regt	"	20	133	153
7/11 Hussars	Richmond, Que	22	138	160
27 Field Artillery Ret	Cowansville, Que	28	222	250
46 Field Artillery Regt	Drummondville, Que	28	266	294
57 Field Sqn	St-Hilaire, Que	3	13	16
14 Independent Signal Sqn	Sherbrooke, Que	9	42	51
6 Bn, Royal 22e Regiment	St-Hyacinthe, Que	31	225	256
Les Fusiliers de Sherbrooke	Sherbrooke, Que	36	251	287
125 Company, RCASC	"	—	—	—
8 Medical Coy	"	20	43	63
24 Technical Sqn	"	7	72	79
101 Provost Pl	Drummondville, Que	—	—	—
No 10 Militia Group				
10 Militia Group HQ	Montreal, Que	25	21	46
The Royal Canadian Hussars	"	42	110	152
34 Field Artillery Regt	"	21	50	71
37 Field Artillery Regt	"	28	102	130
2 Medium Artillery Regt	"	32	167	199
3 Locating Artillery Bty	"	3	20	23

	Location	Effective Str Offrs	ORs	Total
3 Field Engineer Regt	Westmount, Que	26	176	202
11 Signal Regiment	"	30	118	148
The Canadian Grenadier Guards	Montreal, Que	16	134	140
Victoria Rifles of Canada	"	21	118	139
3rd Bn, Black Watch of Canada	"	27	242	269
4 Bn, Royal 22e Regiment	"	35	309	344
Les Fusiliers Mont Royal	"	31	185	216
Le Régiment de Maisonneuve	"	32	133	165
The Royal Montreal Regt	"	23	173	196
3 Column RCASC	"	30	252	282
1 Medical Bn	"	64	63	127
53 Dent Unit	"	15	22	37
3 Ordnance Bn	"	34	137	171
2 Technical Regt	"	23	135	158
3 Provost Coy	"	5	90	95
1 Intelligence Training Coy	"	24	29	53
No 11 Militia Group				
11 Militia Group HQ	Trois-Rivières, Que	14	7	21
Le Régiment de Trois-Rivières	"	32	176	208
Le Régiment de Hull	Hull, Que	32	100	132
62 Field Artillery Regt	Shawinigan, Que	29	180	209
9 Field Sqn	Noranda, Que	2	74	76
15 Independent Signal Sqn	Trois-Rivières, Que	9	33	42
Le Régiment de Joliette	Joliette, Que	26	214	250
126 Coy RCASC	Trois-Rivières, Que	4	33	37
22 Technical Sqn	Cap de la Madeleine, Que	4	120	124
8 Ordnance Coy	Ste-Thérèse, Que	10	78	88
102 Provost Pl	Trois-Rivières, Que	1	35	36
Under HQ Quebec Command				
Quebec Command Personnel Selection Unit	Montreal, Que	52	7	59
Quebec Command Chaplain Unit	"	43	—	43
104 Manning Depot	"	16	40	56
Total HQ Quebec Command		1,078	5,294	6,372
Eastern Ontario Area (E Ont Area)				
No 12 Militia Group				
12 Militia Group HQ	Ottawa, Ont	12	9	21
4 Princess Louise Dragoon Guards	"	29	141	160
30 Field Artillery Regt	"	34	174	208
3 Field Sqn	"	5	44	49
3 Signal Regt	"	30	166	196
Govenor General's Foot Guards	"	27	255	282
The Lanark and Renfrew Scottish Regt	Pembroke, Ont	34	243	277
Stormont, Dundas and Glengary Highlanders	Cornwall, Ont	24	186	210
The Cameron Highlanders of Ottawa	Ottawa, Ont	26	157	183
130 Company, RCASC	"	11	94	105
9 Medical Coy	Cornwall, Ont	8	32	40
10 Medical Coy	Ottawa, Ont	10	22	32
54 Dental Unit	"	11	14	25
3 Ordnance Coy	"	11	151	162
113 Manning Depot	"	35	99	134
No 13 Militia Group				
13 Militia Group HQ	Peterborough, Ont	12	6	18
50 Field Artillery Regt	"	32	125	157
33 Medium Artillery Regt	Cobourg, Ont	16	103	119
3 Independent Med Bty	Gananoque, Ont	4	21	25
55 Field Sqn	Kingston, Ont	5	44	49
The Princess of Wales' Own Regt	"	34	179	203
The Hastings and Prince Edward Regt	Belleville, Ont	42	335	347
The Brockville Rifles	Brockville, Ont	27	151	178
Transport Platoon, 130 Coy RCASC	Kingston, Ont	1	8	9
11 Medical Coy	"	9	23	32
28 Technical Sqn	Peterborough, Ont	9	73	82
Total E Ont Area		498	2,855	3,353

	Location	Effective Str Offrs	ORs	Total
Central Ontario Area (Cent Ont Area)				
No 14 Militia Group				
No 14 Militia Group HQ	Toronto, Ont	11	3	14
The Queen's York Rangers	"	36	117	153
2 Field Engineer Regt (less 2 Sqns)	"	17	89	106
2 Signal Regiment	"	14	122	136
The Royal Regiment of Canada	"	40	323	363
The Irish Regiment of Canada	"	30	154	184
The Toronto Scottish Regt	"	27	174	201
26 Medical Coy	"	25	42	67
4 Technical Regt	"	32	155	187
2 Provost Coy	"	5	90	95
No 15 Militia Group				
15 Militia Group HQ	Toronto, Ont	15	3	18
The Governor General's Horse Guards	"	36	144	180
The Ontario Regt	Oshawa, Ont	28	120	148
29 Field Artillery Regt	Toronto, Ont	38	100	138
42 Medium Regt	"	20	111	131
1 Locating Regt	"	17	81	98
8 Signal Regt	"	21	77	98
3 Bn, Queen's Own Rifles	"	31	81	112
48 Highlanders of Canada	"	31	254	285
5 Column RCASC	"	27	219	246
56 Dental Unit	Toronto, Ont	15	5	20
4 Ordnance Bn	"	22	84	106
2 Intellignece Training Coy	"	21	22	43
No 16 Militia Group				
16 Militia Group HQ	Toronto, Ont	13	7	20
The Grey and Simcoe Forresters	Owen Sound, Ont	39	247	286
The Algonquin Regt	North Bay, Ont	37	303	340
49 Field Artillery Regt	Sault St Marie, Ont	39	291	330
58 Field Artillery Regt	Sudbury, Ont	28	245	273
8 Field Sqn (2 Field Engineer Regt)	North Bay, Ont	6	94	100
13 Medical Coy	Owen Sound, Ont	27	54	81
33 Technical Sqn	Sudbury, Ont	8	122	130
34 Technical Sqn	Sault St Marie, Ont	8	98	106
No 17 Militia Group				
17 Militia Group HQ	Dundas, Ont	11	5	16
8 Field Artillery Regt	Hamilton, Ont	32	237	269
44 Field Artillery Regt	St Catharine's Ont	22	91	113
57 Field Artillery Regt	Welland, Ont	27	239	266
18 Field Sqn (2 Field Engineer Regt)	Hamilton, Ont	3	36	39
1 Independent Signal Sqn	"	8	42	50
The Royal Hamilton Light Infantry	"	31	274	305
The Lincoln and Welland Regt.	St Catharine's, Ont	35	224	259
The Lorne Scots	Brampton, Ont	40	331	371
The Argyle and Sutherland Highlanders	Hamilton, Ont	38	196	234
133 Company RCASC	"	11	129	140
16 Medical Coy	"	15	28	43
4 Ordnance Coy	"	8	82	90
5 Technical Regt	"	15	64	79
30 Technical Sqn	St Catharine's, Ont	4	67	71
Under Command Cent Ont Area				
40 Medium Regt	Kenora, Ont	30	212	242
The Lake Superior Scottish Regt	Port Arthur, Ont	28	130	148
138 Coy, RCASC	"	5	57	62
17 Medical Coy	"	9	19	28
35 Technical Sqn	"	3	51	54
Central Command Chaplain Unit	Toronto, Ont	73	—	73
Personnel Selection Unit	"	73	17	90
106 Manning Unit Depot	"	31	92	123
115 Manning Unit Depot	Port Arthur, Ont	16	28	44
Toronto Artillery Militia Band	Toronto, Ont	1	45	46
Total Cent Ont Area		1,333	6,727	8,060

	Location	Effective Str Offrs	ORs	Total
WESTERN ONTARIO AREA (WEST ONT AREA)				
No 18 MILITIA GROUP				
18 Militia Group HQ	London, Ont	15	3	18
1 Hussars	"	22	117	139
11 Field Artillery Regt	Guelph, Ont	23	178	201
21 Field Artillery Regt	Wingham, Ont	29	187	216
56 Field Artillery Regt	Brantford, Ont	37	108	145
11 Field Engineer Regt	London, Ont	22	219	241
9 Signal Regt	"	18	73	91
3 Bn, The Royal Canadian Regt	"	36	233	269
The Perth Regt	Stratford, Ont	22	94	116
The Highland Light Infantry of Canada	Galt, Ont	30	102	132
The Scots Fusiliers of Canada	Kitchener, Ont	29	120	149
4 Column, RCASC	London, Ont	31	140	171
12 Medical Coy	Kitchener, Ont	17	56	73
15 Medical Coy	London, Ont	23	50	73
55 Dental Unit	"	16	3	19
5 Ordnance Bn	"	20	43	63
6 Provost Coy	"	4	66	70
107 Manning Depot	"	35	50	85
Total West Ont Area (Including 26 Militia Group)		623	3,006	3,629
MANITOBA AREA (MAN AREA)				
No 19 MILITIA GROUP				
19 Militia Group HQ	Winnipeg, Man	13	5	18
The Fort Garry Horse	"	20	106	126
12 Manitoba Dragoons	Virden, Man	19	157	176
26 Field Artillery Regt	Brandon, Man	32	279	311
39 Field Artillery Regt	Winnipeg, Man	27	108	135
6 Field Engineer Regt	"	17	157	174
10 Independent Signal Sqn	"	7	95	102
The Royal Winnipeg Rifles	"	22	127	149
The Winnipeg Grenadiers	"	23	107	130
The Queen's Own Cameron Highlanders of Canada	"	25	145	170
6 Column, RCASC	"	23	177	200
18 Medical Coy	"	20	46	66
57 Dental Unit	"	12	28	40
6 Ordnance Bn	"	10	11	21
7 Technical Regt	"	9	78	87
13 Provost Coy	"	5	55	60
5 Intelligence Training Coy	"	6	22	28
108 Manning Depot	"	12	61	73
Total Man Area		302	1,764	2,066
SASKATCHEWAN AREA (SASK AREA)				
HQ 20 MILITIA GROUP				
20 Militia Group HQ	Regina, Sask	10	11	21
The Saskatchewan Dragoons	Moose Jaw, Sask	14	143	157
14 Canadian Hussars	Swift Current, Sask	11	157	168
53 Field Artillery Regt	Yorkton, Sask	17	180	197
10 Field Artillery Regt	Regina Sask	23	84	107
14 Field Sqn	"	5	48	53
2 Independent Signal Sqn	"	3	28	31
The Regina Rifle Regt	"	26	187	213
The South Saskatchewan Regt	Estovan, Sask	10	91	101
142 Company RCASC	Regina, Sask	10	112	122
19 Medical Coy	"	22	60	82
58 Dental Unit	"	5	6	11
5 Ordnance Coy	"	4	37	41
109 Manning Depot	"	22	40	62
21 MILITIA GROUP				
21 Militia Group HQ	Saskatoon, Sask	11	7	18
21 Medium Artillery Bty	"	7	44	51
44 Medium Artillery Bty	Prince Albert, Sask	6	95	101
Operating Troop, 2 Sig Sqn	Saskatoon, Sask	1	12	13
1 Bn, North Saskatchewan Regt	Prince Albert, Sask	27	319	346
2 Bn, North Saskatchewan Regt	Saskatoon, Sask	30	245	275
20 Medical Coy	"	9	33	42
37 Technical Sqn	"	3	40	43
Total Sask Area		276	1,979	2,255

	Location	Effective Str Offrs	ORs	Total
Alberta Area (Alta Area)				
22 Militia Group				
22 Militia Group HQ	Calgary, Alta	18	9	27
The South Alberta Light Horse	Medicine Hat, Alta	23	199	222
The King's Own Calgary Regt.	Calgary, Alta	31	314	345
18 Field Artillery Regt	Lethbridge, Alta	31	176	207
19 Medium Artillery Regt	Calgary, Alta	25	157	182
8 Field Engineer Regt	Lethbridge, Alta	35	402	437
7 Independent Signal Sqn	Calgary, Alta	8	64	72
The Calgary Highlanders	"	22	252	274
7 Column RCASC	"	24	230	254
21 Medical Unit	"	23	39	62
59 Dental Unit	"	11	18	29
6 Ordnance Coy	"	6	26	32
A Sqn, 9 Technical Regt	"	4	54	58
31 Technical Sqn	Blairmore, Alta	1	63	64
32 Technical Sqn	Lethbridge, Alta	5	71	76
14 Provost Coy	Calgary, Alta	3	29	32
110 Manning Depot	"	26	47	73
23 Militia Group				
23 Militia Group HQ	Edmonton, Alta	15	9	24
19 Alberta Dragoons	"	23	156	179
20 Medium Artillery Regt	"	27	153	180
25 Field Sqn	"	8	69	77
8 Independent Signal Sqn	"	8	69	77
The Loyal Edmonton Regt	"	37	302	339
154 Company RCASC	"	8	95	103
22 Medical Coy	Ponoka, Alta	1	19	20
23 Medical Coy	Edmonton, Alta	16	75	91
Western Command Medical Advisory Staff	"	2	1	3
60 Dental Unit	"	15	56	71
Company, 7 Ordnance Bn	"	6	21	27
38 Technical Sqn	"	6	59	65
15 Provost Coy	"	4	12	16
6 Intelligence Training Coy	"	14	21	35
Personnel Selection Unit	"	50	2	52
116 Manning Depot	"	23	43	66
Chaplain Unit	"	57	—	57
Total Alta Area		616	3,312	3,928
British Columbia Area (BC Area)				
24 Militia Group				
24 Militia Group HQ	Vancouver, BC	15	10	25
The British Columbia Regt	"	30	140	170
15 Field Artillery Regt	"	30	260	290
7 Field Engineer Regt	"	21	136	157
West Coast Signal Regt	"	15	102	117
The Seaforth Highlanders of Canada	"	27	199	226
The Westminster Regt	New Westminster, BC	22	238	260
The Irish Fusiliers of Canada	Vancouver, BC	29	223	252
152 Coy RCASC	Abbotsford, BC	5	49	54
156 Coy RCASC	Vancouver, BC	8	53	61
24 Medical Coy	"	24	76	100
61 Dental Unit	"	10	38	48
8 Ordnance Bn	"	8	37	45
8 Technical Regt	"	12	117	129
8 Provost Coy	"	3	38	41
4 Intelligence Training Coy	"	8	20	28
111 Manning Depot	"	31	43	74
25 Militia Group				
25 Militia Group HQ	Victoria, BC	12	14	26
C Sqn, British Columbia Regt	Nanaimo, BC	4	40	44
5 Independent Medium Bty	Victoria, BC	14	121	135
5 Area Signal Sqn	"	2	26	38
The Canadian Scottish Regt	"	34	273	307
155 Coy RCASC	"	10	106	116
40 Technical Sqn	"	4	87	91
Army Photo Interpretation Section (4 Int Trg Coy)	"	6	12	18
Total BC Area (Including 27 Militia Group)		455	3,108	3,563

	Location	Effective Str Offrs	ORs	Total
WESTERN ONTARIO AREA (WEST ONT AREA)				
26 MILITIA GROUP				
26 Militia Group HQ	Windsor, Ont	13	7	20
The Elgin Regt	St Thomas, Ont	36	289	325
The Windsor Regt	Windsor, Ont	39	218	257
7 Field Artillery Regt	Sarnia, Ont	33	164	197
1 Bn, Essex and Kent Scottish	Windsor, Ont	31	219	250
2 Bn, Essex and Kent Scottish	Chatham, Ont	29	169	198
14 Medical Coy	Windsor, Ont	Nil Str		
39 Technical Coy	"	13	98	111
BRITISH COLUMBIA AREA (BC AREA)				
27 MILITIA GROUP				
27 Militia Group HQ	Vernon, BC	8	8	16
The British Columbia Dragoons	Kelowna, BC	13	141	154
24 Field Artillery Regt	Trail, BC	20	170	190
44 Field Sqn	"	2	77	79
The Rocky Mountain Rangers	Kamloops, BC	28	254	282
UNDER COMMAND HEADQUARTERS WESTERN COMMAND				
The Yukon Regt (restricted to one Coy)		6	38	44

17

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

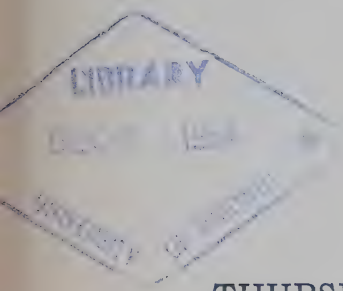
1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn



PROCEEDINGS

No. 17

THURSDAY, SEPTEMBER 24, 1964

FRIDAY, SEPTEMBER 25, 1964

TUESDAY, SEPTEMBER 29, 1964

INCLUDING THE FOURTH REPORT TO THE HOUSE

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21312—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Matheson,
Béchard,	Laniel,	McMillan,
Brewin,	Lessard (*Lac-Saint-Jean*),	McNulty,
Deachman,	Lloyd,	Pilon,
Fane,	MacInnis,	Smith,
Gross,	MacLean,	Temple,
Harkness,	MacRae,	Winch—(24).
	Martineau,	

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, September 24, 1964.

The Special Committee on Defence, having been duly called to meet at 10:00 a.m. this day, the following members were present: Messrs. Béchard, Groos, Hahn, Lambert, Lloyd, MacLean, McMillan and McNulty—(8).

There being no quorum, at 10:30 a.m., the chairman adjourned the meeting until 4:00 p.m. this day.

AFTERNOON SITTING

(27)

The Special Committee on Defence met *in camera* at 4.10 p.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Groos, Hahn, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacInnis, Matheson, McMillan, McNulty, Pilon, Temple, Winch—(16).

On behalf of the Steering Subcommittee the Chairman submitted a "Draft Report to the House".

The Committee considered a number of paragraphs of the said Report. These paragraphs were adopted as amended.

At 5.00 p.m. the Committee adjourned until 8.00 p.m. this day.

EVENING SITTING

(28)

The Special Committee on Defence resumed *in camera* at 8.20 p.m. this day, the Chairman, Mr. David G. Hahn, presiding.

Members present: Messrs. Béchard, Brewin, Groos, Hahn, Lambert, Laniel, Lloyd, MacInnis, McMillan, McNulty, Pilon, Temple, Winch—(13).

The Committee resumed its consideration of a "Draft Report to the House". A number of paragraphs were amended and adopted as amended.

At 10.00 p.m. the Committee adjourned until 9.30 a.m. Friday, September 25, 1964.

FRIDAY, September 25, 1964.

(29)

The Special Committee on Defence met *in camera* at 9.40 a.m. this day. The Chairman, Mr. D. G. Hahn, presided.

Members present: Messrs. Béchard, Brewin, Deachman, Groos, Hahn, Lambert, Laniel, Lloyd, MacInnis, MacLean, McMillan, McNulty, Pilon, Winch—(14).

21312—1½

The Committee continued its consideration of a "Draft Report to the House". Paragraphs of that Report were considered, amended and adopted, as amended.

At 11.00 a.m. the Committee adjourned until 3.30 p.m. Tuesday, September 29, 1964.

TUESDAY, September 29, 1964.
(30)

The Special Committee on Defence met *in camera* at 4.00 p.m. this day. The Chairman, Mr. D. G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Deachman, Fane, Groos, Hahn, Lambert, Lessard (*Lac-Saint-Jean*), Lloyd, MacInnis, MacLean, MacRae, Matheson, McMillan, McNulty, Pilon, Smith, Temple and Winch—(19).

The Committee continued its consideration of the Draft Report to the House. Various paragraphs were amended, and adopted, as amended.

During the meeting, the division bells having rung, the Committee recessed briefly to permit members to attend a vote in the House.

During the meeting, the division bells having rung, the Committee recessed briefly to permit members to attend a vote in the House.

At 6.00 p.m. the Committee adjourned until 8.00 p.m. this evening.

EVENING SITTING

(31)

The Special Committee on Defence resumed *in camera* at 8.15 p.m., the Chairman, Mr. D. G. Hahn, presiding.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Deachman, Groos, Hahn, Lambert, Lloyd, MacInnis, MacLean, MacRae, McMillan, McNulty, Pilon and Smith—(14).

The Committee continued its consideration of a "Draft Report to the House". Having considered the various paragraphs in the Report, the said report was adopted, as amended, and the Chairman was instructed to present it to the House.

Members of the Committee expressed their appreciation for the manner in which the Chairman and members of the Steering Committee had prepared the above-mentioned report. In turn the Chairman thanked the Committee members for their assistance and co-operation.

At 9.50 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

(*Report follows*).

REPORT TO THE HOUSE

THURSDAY, October 1, 1964

The Special Committee on Defence has the honour to present its

FOURTH REPORT

CHAPTER 1—SPECIAL COMMITTEE ON DEFENCE

1. On May 8, 1964, the House of Commons appointed the Special Committee on Defence by adopting the following resolution:

> *Resolved*,—That a Special Committee be appointed to continue the consideration of matters relating to Defence begun by the Special Committee at the past Session and to report from time to time its observations and opinions thereon;
>
> That the Committee have power to send for persons, papers and records and to examine witnesses;
>
> That it be empowered to adjourn from place to place;
>
> That the minutes of proceedings and evidence taken by the Special Committee at the past Session be referred to the said Committee and made a part of the records thereof; and
>
> That the Committee consist of 24 members to be designated by the House at a later date, and that Standing Order 67(1) be suspended in relation thereto.

2. On May 14, 1964, the House designated twenty-four members to serve on the Committee as follows:

> *Ordered*,—That the Special Committee on Defence, appointed May 8, 1964, be composed of Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Lambert, Langlois, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, (*Queens*), MacRae, Martineau, Matheson, McMillan, Nielsen, Pilon, Smith, Temple and Winch.

Subsequently, Messrs. MacInnis and McNulty were appointed and presently serve on the Committee.

A Steering Subcommittee comprised of Messrs. Hahn (Chairman), Lambert (Vice-Chairman), Langlois, Lessard (*Lac-Saint-Jean*), MacLean, Temple and Winch, was appointed to arrange and plan the work of the Committee.

3. Your Committee held 30 meetings to receive information and opinions on, and to consider matters relating to Defence. Included in this number is four days spent on a visit to Maritime Command, Atlantic, the viewing of a fleet exercise and a visit to SACLANT Headquarters at Norfolk, Virginia. In addition the Committee visited the Canadian Army at Camp Gagetown, New Brunswick, and the Royal Military College at Kingston, Ontario.

4. On May 12, the House of Commons referred to this Committee for consideration and report, Bill C-90, An Act to amend the National Defence Act. Consideration of this Bill was the first order of business for the Committee.

Witnesses heard from the Department of National Defence were: Honourable Paul T. Hellyer, Minister; Honourable Lucien Cardin, Associate Minister; Mr. Elgin B. Armstrong, Deputy Minister; Brigadier W. J. Lawson, Judge Advocate General; and Dr. Jack Hodgson, Assistant Deputy Minister of National Defence (Finance).

Evidence was also heard from the following persons from outside the public service: Brigadier Richard S. Malone, Winnipeg, Manitoba; Air Marshal W. A. Curtis and Major General W. H. S. Macklin, both of Toronto, Ontario.

In its Second Report to the House, dated June 10, 1964, the Committee reported Bill C-90 to the House, without amendment.

5. During consideration of Bill C-90, your Committee heard evidence respecting the impact of the proposed service reorganization on the manpower requirements of the Services. Particular attention was drawn to the problem of personnel who will be involuntarily retired. In this connection, your Committee made certain observations and recommendations in its Third Report to the House, dated June 17, 1964.

6. The Committee spent three days during the last week of July visiting our Maritime Forces on the east coast. One day was spent at SACLANT Headquarters at Norfolk, Virginia. Briefings were conducted by the following:

Rear Admiral J. V. Brock, Maritime Commander; Air Commodore F. S. Carpenter, Deputy Maritime Commander; Commodore E. N. Clarke, Commodore Superintendent Atlantic Coast; Commodore R. L. Hennessy, Commodore Personnel Atlantic; Lt. Cdr. W. T. Marchant; Lt. Cdr. S. S. R. Conway; Captain R. W. Timbrell; Cdr. W. S. Blandy; Captain G. C. Edwards; Lt. Cdr. S. H. Rowell; Lt. Cdr. D. H. Tate; Captain T. C. Pullen; S/L Robert McNair; Mr. W. B. Bailey; Mr. R. Dexter; Lt. Cdr. H. J. Bird; Lt. Cdr. W. A. Byatt; Lt. Cdr. R. F. Strouts; Commodore J. C. Pratt; Cdr. C. G. Pratt; Captain D. L. Macknight; Commander D. H. P. Ryan; Commander A. E. Fox; Commander B. C. Thillaye; Admiral H. P. Smith, U.S. Navy, Supreme Allied Commander Atlantic; Vice-Admiral Charles E. Weakley, U.S. Navy, Commander Anti-Submarine Warfare Force Atlantic; assisted by Vice-Admiral R. D. Hogle, Chief of Staff, SACLANT Headquarters; Cdr. J. B. Carling; Major J. D. Dillon; Cdr. S. Bruland; Cdr. J. J. Doak; Cdr. J. L. Davis; and Captain R. J. Davis.

7. During the Committee's consideration of the Civil Emergency Planning Programme, evidence was received from Honourable Charles M. Drury, Minister of Defence Production, and from Mr. Paul Faguy, Director of Emergency Measures Organization.

8. The operation of the Regular Officer Training Plan was reviewed by the Committee. During this review the Committee received evidence from the Associate Minister of National Defence, Honourable Lucien Cardin, and from the Deputy Minister of Nation Defence, Mr. Elgin B. Armstrong. Detailed information respecting the various plans was supplied by Commodore H. V. W. Groos, Director of ROTP; Colonel W. R. Sawyer, Vice-Commandant and Director of Studies of Royal Military College; and Commander G. Clark.

The Committee visited Royal Military College, Kingston, Ontario, and received briefings there from Air Commodore L. G. Birchall, Commandant of Royal Military College; Dr. G. F. G. Stanley, Head of the History Department; and, Colonel G. F. Stevenson, Chairman of Army Central Command Interview Board.

9. Your Committee considered the role and functions of the Reserve Forces. Evidence was heard on this subject from the Honourable Lucien Cardin, Associate Minister of National Defence, and from Col. C. P. MacPherson, Director of Militia and Cadets.

Lt. Col. W. R. Learmonth, Chairman of the Conference on Defence Associations and three other members of that body appeared before the Committee and gave evidence respecting Reserve Forces. The Committee also heard testimony from the following:

Brigadier E. R. Suttie, Chairman of the Commission on the Reorganization of the Canadian Army (Militia);
Commodore R. I. Hendy, Chairman of the Ministerial Committee on the Role and Organization of the Royal Canadian Navy; and Group Captain J. W. P. Draper, Chairman of the Ministerial Committee on the Royal Canadian Air Force Auxiliary.

10. The Committee is submitting this Report at this time so that its recommendations will be available to the House of Commons before the Government makes a final decision on certain policy matters that have been studied by the Committee.

11. The Committee has received a series of papers on Defence topics that were ordered last Session. It is the intention of the Committee to study these papers and other matters in the latter months of this Session.

12. It is the intention of the Committee to submit another interim report to cover its full sessional activities just before the end of this Session of Parliament.

CHAPTER II—THE SERVICES

NAVY

13. Your Committee was impressed with the efficiency of our Maritime Forces and with the calibre of the officers and men serving in these forces.

14. Your Committee observed demonstrations of the operation of the HSS-2 Helicopter from a Destroyer Escort. This significant Canadian development which includes the "Bear-Trap" landing system is most impressive. The Committee was pleased to learn of the widespread interest, in this operation, by other countries.

15. The operations of HMCS *Provider* were explained. This ship represents a significant development with its capability of high speed simultaneous replenishment of solid and liquid stores. There have been mechanical and contractual problems with this ship. In the opinion of the Committee, these do not detract from the over-all concept; they should, however, be investigated by the Committee when it studies "procurement practices".

16. During Anti-Aircraft exercises off Bermuda, several failures were experienced with the 3″ 70 guns. It was noted that the capability of these weapons against supersonic aircraft was very limited. Considerable doubt was expressed as to the serviceability of this complex weapon.

17. The Committee concludes that, as presently constituted, our Navy and the Maritime Command of the R.C.A.F., constitute a highly developed, specialized Anti-Submarine Warfare (ASW) Force. The R.C.A.F., with its specialized aircraft, is a well trained, well equipped force for this purpose.

18. As older ships with other than ASW capabilities are retired, our Navy will effectively be limited to the specialist ASW role. It will not then be

efficiently equipped to ward off air attacks or fight surface actions. It is noted that at present the Navy has only very limited ability to transport troops and equipment.

19. In the event of a nuclear war, the operation of convoys is unlikely. Nevertheless, the ability to detect and keep under surveillance modern foreign submarine forces in time of peace is a definite deterrent and is therefore a valid task for Canada's Naval Forces.

20. A conventional war or major United Nations action could require convoys of men and material to support it. The use of submarines is not limited to major powers, and we can expect additional countries to acquire them. An ASW Navy is therefore necessary to carry out these roles.

21. The significance of a submarine threat gives rise to deep concern on the costs involved to provide an acceptable level of Anti-Submarine Warfare (ASW) capability, with the present type of equipment. As new and better foreign submarines, particularly nuclear powered and armed, become more general, intensive research and development of more effective ASW forces and tactics are essential and must be undertaken without delay. Your Committee believes that if the Canadian Hydro-Foil Programme is successful it may prove to be a partial answer to this problem.

22. Your Committee is in agreement that Canada must continue an ASW role in concert with her allies.

23. Your Committee welcomes an indication, in the "White Paper", of a trend in our forces to provide land and air forces that would be mobile and complementary to each other, thereby increasing Canada's capabilities in peace-keeping operations. Consideration should be given to broadening the Navy's limited role, so that it can complement the other two forces in this area.

24. A number of ships have been, or soon will be, retired from the fleet. Decisions must be taken on their replacements. The options are to add ships of the ASW type and/or to acquire ships that will provide for a wider variety of tasks. In the opinion of the Committee, Canada cannot afford the high cost of an over-all naval force, capable in all functions, but must continue to specialize.

The Committee supports the recently announced intention of modernizing a number of our ASW vessels. The next priority should be given to the acquisition of shipping to provide logistic support and to meet naval transport requirements of our ground forces. An intensive study should be made, to this end, in conjunction with the Department of Transport. The use of *Bonaventure* for this purpose is costly, less efficient, and removes this important ASW unit from its allocated task. Beyond this, further replacements should augment the ASW forces.

The Committee noted with concern the limited anti-aircraft capability of our existing fleet, and considers that this problem must be thoroughly examined to determine whether, within budget limitations, better anti-aircraft protection may be provided than currently exists.

25. Observing the action of other countries who are entering the nuclear propulsion field, your Committee feels that there could well be great advantage to Canadian industry and to Canadian defence if Canada did likewise. In view of the great costs involved, however, the Committee is of the opinion that at this time action should be limited to joint desirability and feasibility studies by the Department of National Defence, the Department of Industry, and

the Department of Transport and that the Canadian Government should encourage private industry which is interested in the field of nuclear propulsion, by lending support to pilot or experimental programmes studies.

26. Your Committee is aware that naval duties, involving long absences at sea, create particular family problems for naval personnel. While in Halifax, the Committee noted that these morale problems were aggravated by the grossly inadequate housing available to naval personnel in the Port of Halifax region. Your Committee received reports of lower cost and better housing accommodation on the Pacific coast which accentuates the morale and cost-of-living problems on the Atlantic coast.

ARMY

27. Committee members visited Camp Gagetown to observe the summer concentration exercises of the Army and demonstrations of new tactical formations. Briefings were given by Major General R. Rowley, General Officer Commanding, Field Force, Camp Gagetown; Colonel C. D. Simpson, Camp Commandant, Camp Gagetown; Brigadier Norman Wilson-Smith; Lt. Col. John Clarkson; and, Lt. Col. Gordon Sellars. The Committee was impressed with the good appearance and the morale of the forces at Camp Gagetown.

28. The Special Committee on Defence, in its interim report presented during the last session, raised the problem of the lack of tactical mobility of our army. Provision of approximately 480 armoured personnel carriers, in the near future, should ease this problem, but continued efforts must be made to increase airborne tactical mobility.

RECOMMENDATIONS

29. Your Committee recommends:

(*a*) that the Hydro-Foil Development Programme be continued in collaboration with our allies and subject to a continuing close scrutiny of the progress and of the economic implications of the programme;

(*b*) that an early decision be made on the ship replacement programme, giving priority to the acquisition of logistic support shipping for the Army;

(*c*) that consideration be given to the problem of anti-aircraft protection for our fleet;

(*d*) that Naval and Department of National Defence officials, together with officials from Central Mortgage and Housing Corporation, continue to meet with the officials of the Halifax-Dartmouth area to arrive at solutions to the Naval housing problem in that area; and

(*e*) that joint desirability and feasibility studies on nuclear propulsion, as referred to in paragraph 25, be carried out.

CHAPTER III—CIVIL EMERGENCY PLANNING

30. The prime task of Civil Emergency Planning is to plan now so that appropriate action could be taken in the event of a nuclear attack or major civil disaster. This planning should ensure—

(*a*) the continuity of civilian government at all levels;

(*b*) the identification and allocation of resources remaining after an attack so that they may be effectively used for the survival of the population and the maintenance of any required military action; and

(c) that the civilian population is informed and able to make use of any existing protective facilities.

31. In the event of an emergency, it is vital that information on all aspects of the situation be quickly gathered. This information must be rapidly transmitted to those responsible for taking action. A fundamental task therefore of Civil Emergency Planning is to ensure the availability of an effective communication system across the country in the event of an emergency.

32. In an emergency civilian government at all levels would remain responsible for its respective functions. The Emergency Measures Organization (EMO) structure would provide communications, specialist knowledge, and a co-ordinating function, to act in a staff capacity to the various civilian governments. It is noted that EMO organizations are now in operation in all provinces, and that 2,100 out of a total of 4,000 municipalities (approximately 80% of the population) are covered. Efforts should be continued to provide coverage for the remainder of our municipalities.

33. The responsibilities and the authorities of the various levels of government would, of necessity, change with the nature of the emergency. The situation could vary from a local civil disaster to a major nuclear attack involving large portions of the country. It is important that the responsibilities and the authorities of each level of government be defined under these varying conditions. There is an indication that this allocation of responsibility is vaguely defined. There has not been a meeting of the Federal-Provincial Conference on Emergency Measures since December, 1962, and no meeting is currently scheduled. There has been no national exercise for a number of years. The Committee is concerned that this lack of continuing liaison and exercise with the provinces has seriously impaired the validity of the planning. Gaps in levels of responsibility have not been effectively resolved.

34. No attempt is being made to provide blast protection for the population. The short warning time would make evacuation of major population centres a dubious proposition. The cost of an adequate blast shelter programme is so high as to be unjustified. The Committee concurs that the resources that would be required for blast protection of the population are better employed in military defence where they can contribute to the deterrent to war.

It is possible that an effective and economic Anti-ICBM system might be developed. This would require a re-appraisal of the decision not to provide civilian blast protection. It is considered unlikely, however, that the economics either of the Anti-Missile system or of a blast shelter programme will make such programmes possible in the near future.

35. Nuclear fallout could be a major hazard to undamaged parts of the country after a nuclear attack. Provision is being made to detect, and to forecast, such fallout. Reasonable warning time would generally be available in the event of fallout.

Programmes involving mortgage loans, bank loans, and information, have been provided to induce home owners to provide their own fallout protection. These have been failures. Much of the publicity falls on deaf ears. Most of the pamphlets wind up in the waste basket. The public is generally disinterested in times of relative peace. These facts must be recognized.

36. A survey of public buildings is being carried out in Alberta to determine their suitability as fallout shelters. This is being conducted as a pilot study. No facts are available as to the cost of such a survey nor as to the cost of modify-

ing existing buildings to meet shelter requirements. It is possible that the Alberta study will show that fallout protection can be provided at reasonable cost in existing public buildings.

37. The Federal Government has spent an average of 26.7 million dollars per annum on Civil Emergency Planning over the last six years. This has grown from a low of 4.1 million dollars in 1957-58 to a peak of nearly 70 million dollars in 1961-62. For the current fiscal year our expenditure is 19 million dollars. The United Kingdom will spend less per capita at 38.5 million dollars. The United States will spend more per capita at 358 million dollars.

Expenditures on the basic elements of a communication system, a warning system, a central planning function, field co-ordinating agencies, and limited fallout shelter research, would be relatively modest and are necessary to provide a basic security and survival capability. Vast additional expenditures could be made for blast and fallout shelters, massive public education programmes, and other useful activities. The Committee feels that in the scale of priorities, expenditures on Civil Emergency Planning should be limited to those funds required for the basic elements enumerated above.

38. There was a recent accidental triggering of the siren alarm system in Ottawa, Ontario. This false alarm brought out several weaknesses in EMO procedures and administration that must be rectified. A major weakness was that large numbers of people did not know that they should have turned on their radios for further information.

39. Your Committee therefore recommends:

(*a*) that a federal-provincial meeting on Emergency Planning be held before the year end. Future meetings should be held at least annually in order to ensure continuing liaison between the two levels of government. Joint planning must be developed, that recognizes clearly the responsibilities of the various governmental levels;

(*b*) that EMO national exercises be resumed and conducted on a regular basis;

(*c*) that expenditures of funds for the current home shelter programme be discontinued;

(*d*) that research be carried forward so that techniques of providing home protection quickly, with materials at hand, may be developed;

(*e*) that the study of public fallout shelters in Alberta be completed. An analysis should then be done, based on the data it reveals, as to the cost of providing public fallout shelters across the country and the percentage of population that may be so protected;

(*f*) that a decision be made concerning fallout protection. The public will not build shelters. It is financially impossible for the Federal Government to provide fallout shelters for the entire population. Therefore the government must decide, based on the costs revealed by the Alberta survey, whether or not it will provide protection for a portion of the population;

(*g*) that public information programmes be instituted to provide basic information. They should be on a periodic basis on television, radio and in the press; and

(*h*) that consideration be given to the regular testing of the alarm system in all communities across the country.

CHAPTER IV—REGULAR OFFICER TRAINING PLAN

40. The Services will require approximately 1,500 new officers per year. Evidence given indicates that, in order to maintain a reasonable ratio of university graduate officers, about 450 officers are required each year at this educational level. These figures are being reviewed, but until the study is complete they represent current requirements.

41. The Services must compete with industry and other career options for university graduates. Incentive educational programmes are the only way to meet this competition. The Committee agrees that there is a need for the Regular Officer Training Plan (ROTP) type programme. Evidence indicates that other methods of attracting university graduates into permanent commissions have not been successful.

42. The Department of National Defence has supplied two useful tables which show the attrition rate caused by academic failures at the Canadian Service Colleges (CANSERVCOLS) and the Universities. They also show the attrition rate after graduation, tabulated by Service College, by the University Section, by Academic Discipline, and by Services.

ROTP AND OFFICER PRODUCTION STATISTICS

(Based on Intake and Wastage During Past Five Years)

TABLE 1
11 Aug 64

(a) Category		(b) Prep Yr. Jr. Matric Entrants	(c) 1st Yr. Sr. Matric Entrants	(d) 2nd Yr.	(e) 3rd Yr.	(f) 4th Yr.	(g) Graduates	(h) Year in Service 1st	(h) Year in Service 2nd	(h) Year in Service 3rd	(j) Do not Opt Out after 3 yrs. (4th year of Service)
CMR	Repeaters	1	2	2	4	1					
	New entry	175	125	92	71	59					
	Total entry	176	127	94	75	60					
	Drop-outs	51	35	23	16	2					
	Passes	125	92	71	59	58	58	58	58	57	29
RMC	Repeaters	—	4	5	1	1					
	New entry	—	63	53	46	44					
	Total entry	—	67	58	47	45					
	Drop-outs	—	14	12	3	1					
	Passes	—	53	46	44	44	44	44	44	43	37
RR	Repeaters	—	1	—	6	1					
	New entry	—	129	88	82	72					
	Total entry	—	130	88	88	73					
	Drop-outs	—	42	6	16	3					
	Passes	—	88	82	72	70	70	70	70	69	51
Total Canservcols	Repeaters	1	7	7	11	3					
	New entry	175	317	233	199	175					
	Total entry	176	324	240	210	178					
	Drop-outs	51	91	41	35	6					
	Passes	125	233	199	175	172	172	172	172	169	117
University Section ROTP—Average Strength		71	228	199	182	151	151	149	147	145	78

Note 1—The figures noted in this section represent the average annual strength of the university section by academic year. The university section is administered by the individual Services. Much of the recruiting is done on the campus during the academic year and every effort is made to enroll students who have successfully completed one or more academic years. The Services endeavour to maintain their university quotas at full strength. Since students are enrolled in their 2nd, 3rd, 4th or 5th years, it is not practical to provide a chart showing failures and drop-outs, similar to that for the Canservcols.

Total ROTP Strength	247	552	439	392	329	323	321	319	314	195
Commissioned from Ranks—										
(a) Without Degrees	—	—	—	—	—	—	197	196	196	195

Note 2—An officer promoted from the ranks (without a degree) is usually well qualified in one particular area. Subsequent employment in commissioned rank is normally restricted to his particular corps or specialty. Such officers do NOT have the right to "opt" out; hence the figures shown in the last column (j) reflect only normal wastage.

(b) With Degrees	1	22	19	20	17	17	17	17	17	17

Note 3—The Services' efforts to select men from the ranks for university training and commissioning have been severely restricted by the very small number of men who have the required academic background and/or scholastic potential to gain admission to university.

TABLE 2

Numbers Exercising Release Option up to 31 Aug./63

Comparison by Academic Discipline and Aircrew vs Non-Flying List

Academic Discipline	Category	Eligible				Exercised Option				Percentage			
		Navy	Army	Air Force	Total	Navy	Army	Air Force	Total	Navy	Army	Air Force	Total
										%	%	%	%
Engineering	Canservcol Aircrew	—	—	83	—	—	—	23	—	—	—	28	
	Non-Flying	—	—	59	—	—	—	18	—	—	—	31	
	Total	55	122	142	319	24	21	41	86	44	17	29	27
	University Aircrew	—	—	69	—	—	—	27	—	—	—	39	
	Non-Flying	—	—	177	—	—	—	94	—	—	—	53	
	Total	24	77	246	347	18	42	121	181	75	55	49	52
	Total, ROTP	79	199	388	666	42	63	162	267	53	32	42	40
Arts, Science and Others	Canservcol Aircrew	—	—	69	—	—	—	11	—	—	—	16	—
	Non-Flying	—	—	25	—	—	—	6	—	—	—	24	
	Total	27	140	94	261	12	40	17	69	44	29	18	26
	University Aircrew	—	—	37	—	—	—	7	—	—	—	19	
	Non-Flying	—	—	48	—	—	—	18	—	—	—	38	—
	Total	21	217	85	323	7	96	25	128	33	44	29	40
	Total, ROTP	48	357	179	584	19	136	42	197	40	38	24	34
Total	Canservcol Aircrew	—	—	152	—	—	—	34	—	—	—	22	
	Non-Flying	—	—	84	—	—	—	24	—	—	—	29	
	Total	82	262	236	580	36	61	58	155	44	23	25	27
	University Aircrew	—	—	106	—	—	—	34	—	—	—	32	
	Non-Flying	—	—	225	—	—	—	112	—	—	—	50	
	Total	45	294	331	670	25	138	146	309	56	47	44	46
	Total, ROTP	127	556	567	1,250	61	199	204	464	48	36	36	37

43. Your Committee feels that the results achieved at Royal Military College have been very good, being equal to or better than those of comparable institutions in the United States and Britain and compare most favourably with the results achieved in civilian Canadian universities. However, it notes a high rate of drop-out at both Collège Militaire Royal, and at Royal Roads, for which there are various reasons. At C.M.R., initial entry is at junior matriculation level, from all parts of Canada. At this level the drop-out rate is high everywhere. The bilingual nature of studies at C.M.R. also contributes to this higher rate of drop-out, but is only a reflection of the special requirements for bilingualism.

44. Your Committee examined selection procedures in detail, and while generally satisfied with the methods used, it urges more intensive selection of entrants in order to diminish, at both C.M.R. and Royal Roads, the initial rate of drop-out for reasons of academic failure or inability to accept military discipline.

Moreover, there has been insufficient experience with the 'complete degree plan' at R.M.C. since its inception in 1956 to properly evaluate the military career production potential of this plan. Several more years of experience will be necessary.

45. It is recognized that civilian universities have higher service attrition rates. It is considered normal that cadets who attend civilian universities are more likely to leave the service after their mandatory service period. The Committee is concerned about the lower retention rates of Naval Officers, particularly engineering graduates, who have studied at civilian universities.

46. Various cost data respecting the ROTP programme, were presented by witnesses. It is clear that an exact comparison of the costs of CANSERVCOLS and civilian universities was not possible. It is a matter of opinion as to whether CANSERVCOLS are cheaper than civilian universities, for the production of officers, but from the evidence adduced the Committee feels that the difference in cost either way is not significant. The intangible advantage of the CANSERVCOLS then become relatively more important.

47. Your Committee cannot agree with the Glassco Commission view that the academic staff at the CANSERVCOLS should be reduced as to their qualifications and their number. In fact your Committee urges the maintenance of the highest possible standards of this academic staff.

Your Committee noted, with concern, many of the antiquated facilities in use at R.M.C., and cannot agree that the best results are obtainable from laboratories and lecture rooms installed in converted boiler rooms, stables, haylofts, etc. This Committee also feels that the equipment scale is not adequate. While the Committee is pleased to note the recent announcement, concerning the new dormitory at R.M.C., it urges that the remaining deficiencies be remedied.

48. The Committee was generally impressed with the high academic standards, and the high standards of discipline and physical fitness that prevail at the CANSERVCOLS. There is little doubt in the Committee's mind that these educational institutions produce well trained, well motivated, young men as junior officers for our Services.

49. The Committee agrees with the decision to extend mandatory service to four years. Some concern is expressed about the effects of the Student Loan Programme on ROTP enrolment. It is agreed that while both the above factors may make recruiting more difficult, those cadets who are recruited will be more likely to remain in the Service.

50. The Committee also notes that while ROTP graduates who retire after their mandatory service period are a loss to the Service, they, as private citizens, are undoubtedly an asset to the country as a whole.

51. The Committee commends the introduction of the compulsory study and use of French in "non-language subjects" in the curriculum at R.M.C., with a view to developing general bilingualism to working levels in the armed services.

The Committee examined the question of raising C.M.R. to the status of a degree granting institution. It has concluded that, in order to do so, a much greater number of graduates from CANSERVCOLS, would have to be accepted.

RECOMMENDATIONS

52. The Committee therefore recommends:

(*a*) that the survey referred to in the evidence be completed so that accurate forecasts can be made of the number of officers who will be required with university degrees;

(*b*) that an early determination be made of the long-run proportion of ROTP cadets that are to be trained in CANSERVCOLS, as opposed to Civilian Universities. The Committee feels that the highest proportion possible should be trained in CANSERVCOLS;

(*c*) an immediate replacement of antiquated buildings at R.M.C., and that equipment requirements be met;

(*d*) a survey be made of the facilities of C.M.R., and Royal Roads to determine any deficiencies with a view to taking remedial action; and

(*e*) a more intensive selection of entrants in order to diminish, at both C.M.R. and Royal Roads, the initial rate of drop-out.

CHAPTER V—RESERVE FORCES

53. Prior to the rise of the threat of nuclear warfare in the 1950's, the basis of Canada's peacetime military strength lay in its reserve forces and small regular forces. The chief function of the latter was to supply a training cadre and framework for the reserves.

The threat of nuclear war eliminated the time for mobilization and the necessity arose for large "forces-in-being". Canada established regular forces of 120,000, and to these the reserves become secondary to the point where grave doubts existed as to any valid role for them. In the army, corps training was reduced and survival training, in case of a nuclear attack, was emphasized.

Nuclear warfare is deemed to be less likely because of the nuclear stalemate, and conversely the risk of conventional "brush-fire" war is relatively higher. The regular forces which form Canada's "forces-in-being" will continue but require the manpower support of our reserves. The essential role of the reserves will be to supply that support.

54. In time of crises our expanded forces would require more weapons, materiel and men. The men could be trained during the period of supply of weapons and materiel. To train them would be one of the principal tasks of the experienced officers and other qualified personnel of the reserves.

55. Considerable numbers of additional experienced, well trained personnel are available, from the "out-flow" of permanent force personnel, who are returning to civilian life. Such a pool of experienced military personnel, here-

tofore, has not existed. Unfortunately the potential of this group is greatly diminished because no regular record of their whereabouts, is kept. A form of supplementary reserve list must be kept as it would materially affect the reserve requirements.

56. Emergency Measures Organization plans are based on the use of reserve and regular forces. The survival role is easily learned and is not of itself sufficiently complex to preclude its being taught to all reserve troops in addition to other training. It would be a very costly proposition to provide Reserve Forces solely for survival. The Committee therefore agrees that Reserve Forces should not be maintained solely for survival, but that survival operations should be taught to all troops so that they can, if required, work in that role.

57. The cost of maintaining reserves prior to any reorganization was nearly 55 million dollars per year. Taking into account the low percentage of the defence budget available for equipment for the regular forces, and taking into account the diminished importance of reserve forces while relatively large regular forces are maintained, the Committee feels that every effort should be made to maintain efficient reserve units consistent with budgetary allocations but recognizing that moneys saved by the reduction of personnel and by unit consolidation may be wisely spent for better training and equipment. Cuts totalling $5\frac{1}{4}$ million dollars have been made in the R.C.N.R. and R.C.A.F. Auxiliary budgets. There is no indication of the total savings that may be possible in the militia budget.

58. The role of the Reserves is to provide trained personnel in an emergency. Evidence given by representatives of the three services indicated that many reservists, because of family, business, age, or physical fitness, would not be able to go on Active Service. This negates the main purpose of the Reserves. Consideration must be given to amending the Defence Act so that reservists are committed to limited call-outs. Standards of age and fitness must be such that most reservists are fit for active service. The suggestion was raised that compulsory call-out might affect enlistment in the Reserves, but there seems to be little use in maintaining large forces that are not available for service when needed.

59. The R.C.N.R. and militia obtain their officers largely from the University Naval Training Division (U.N.T.D.) and Canadian Officer Training Corps (C.O.T.C.) programmes. There is evidence that for a variety of reasons many U.N.T.D. and C.O.T.C. graduates fail to join active Reserve units on graduation. This is a wasteful situation and the Committee welcomes the steps that have been taken to provide this training only in those universities that are so located as to make enlistment after graduation likely. Care must be taken in the future to re-assess the location of U.N.T.D. and C.O.T.C. units so that, as reserve units change, they can be assured of an adequate supply of university trained officers.

There should be some obligation on the part of the U.N.T.D. and C.O.T.C. graduates to serve in the Reserves for a stipulated period of time.

60. The Suttie Commission and the Draper Committee presented arguments in favour of an officer at National Defence Headquarters to oversee the operation of their respective branches of the Reserve. The Hendy Committee indicated that the structure of the Commanding Officers' Naval Division (C.O.N.D.) is both unnecessarily costly and organizationally not desirable. There is obviously a need for proper supervision of reserve activities. Your Committee

believes that one senior officer should be appointed at Defence Headquarters, with the sole task of supervising all aspects of the operation of our reserve forces.

61. No steps should be taken to integrate the Reserves prior to Active Force integration. On the other hand, every effort must be made to locate units in common facilities, in order to produce the lowest possible costs of operation. Consideration should be given to savings that might be realized by placing some Active Force recruiting offices in the same quarters as Reserve units.

62. There is ample evidence that administrative procedures for the Reserves are antiquated, cumbersome, restrictive, petty and generally hamper efficient operation. Recommendations in the Hendy and Suttie Reports dealing with such procedures including attestation, pay, stores, accounting, use of military buildings by civilians, and other matters, must be given serious study and the conditions underlying these recommendations must be corrected.

63. There is a common complaint in all three branches of the Reserves about the quality of regular force personnel assigned to Reserve units. While undoubtedly some excellent regular force people are so assigned, the standard must be universally high.

R.C.N.R.

64. There are four major tasks assigned to the R.C.N.R. These consist of provision of personnel for specified functions in time of emergency, the provision of a mobilization base, survival operations, and maintenance of a naval presence in peace time. The Hendy Committee accepted these roles, and this Committee concurs in their validity.

65. The Hendy Committee was concerned about the strength of the R.C.N.R. They reported that while the proposed cut from 4,000 to 2,400 all ranks would meet mobilization plans, these plans did not take into account manning government ships of the Department of Transport and R.C.M.P., nor did they take into account the Reserve fleet. The Hendy Committee, however, did not consider the possible pool of former regular navy personnel who might be available for these purposes. Considering the budgetary limitations that are necessary, this Committee accepts the reduced strength.

It was suggested by the Hendy Committee that savings proposed by them could result in an increased strength of the R.C.N.R. within the budgetary limitations. The Committee concurs that this is desirable if the cost savings are attainable.

66. Evidence indicates an average annual turnover in the R.C.N.R. of 30 percent. In addition it was brought out that a large percentage of R.C.N.R. personnel are under age for Active Service. Your Committee agrees with the Hendy recommendation calling for an increase in the minimum age of the R.C.N.R. There is also agreement that training must be improved to reduce the turnover.

67. The Hendy Report made a number of valid recommendations for the improvement of the administrative efficiency of the R.C.N.R. These should be implemented.

68. The evidence indicates that cost limitations forced the closing down of the R.C.N.R. Air Divisions. The Committee agrees that the cost of providing operational aircraft for the R.C.N.R. is not warranted. It therefore agrees that

the R.C.N.R. Air Divisions should not be reactivated. However, the Committee suggests that arrangements might be made to enable R.C.N.R. personnel to maintain their capability by flying with the existing R.C.N. shore based squadrons.

MILITIA

69. The Government has assigned five main tasks to the militia. These include providing reinforcement of field forces, the formation of logistic and special units that are not provided in peace time, the provision of a training force to support the field force, the manning of certain security guard stations in an emergency, and the survival role. The Committee is of the opinion that the foregoing are the major valid roles for a militia establishment.

70. There was considerable discussion in the Committee concerning the numbers required to fulfill these roles. The Government has indicated a requirement of 30,000 effective militiamen as follows:

(*a*) Reinforcement of Field Forces	7,000-8,000	—officers and men
Special Units for NATO commitments	1,000	—officers and men
(*b*) Training Force to support the Field Force	18,000	—officers and men
(*c*) Internal Security	2,500	—officers and men
(*d*) National Survival Installations	1,500	—officers and men
	(approximately) 30,000	—officers and men

Your Committee cannot confirm or refute this estimate except to note that the potential requirement for internal security appears to be seriously underestimated. Your Committee also recognizes the fact that those requirements will change in the future, and that regular periodic reviews should be made.

71. Evidence given on the current status of the militia indicated an unsatisfactory situation which demands early corrective action. The average annual turnover is over fifty percent. There are indications that because of age, physical fitness, and minimum of attendance at parades, the average efficiency of the militia is fifty percent. The average ratio of other ranks to officers is only six to one. These are average figures, and include headquarters. While there are some excellent units in the militia, whose record is much better than this average, there are others which are correspondingly much worse.

The Committee recognizes that sentiment and tradition are involved in the maintenance of the militia, but because of the importance of the militia, and an expenditure of about 38 million dollars per year, a low level of efficiency cannot be tolerated.

72. The Government has announced that the present strength of the militia is to be cut, for budgetary reasons, from approximately 45,000 all ranks to approximately 30,000. To achieve the requirement of 30,000 referred to in paragraph 70, this would mean an approximately one hundred percent efficiency rate. Your Committee considers this to be unrealistic and would agree with the contention of the Conference of Defence Associations, that in order to achieve the 30,000 effectives, the militia enrolment, even taking into account an increased efficiency, would have to be considerably higher. It must therefore be recognized that, after the militia is cut to 30,000 all ranks, it will be unable to fulfill its proposed roles.

73. It is evident that there will have to be a reduction in the number of militia units. This reduction should be governed principally by unit efficiency performance, geographical distribution, relationship to existing regular forces, and degree of competition for potential militia personnel.

74. The Suttie Commission produced a number of recommendations. Those dealing with administration, provision of adequate equipment, training, age, fitness requirements, and public relations, are of prime importance. Implementation of these could do a great deal to reduce turnover and bring the militia to the required level of efficiency.

75. Cost savings should result from the reduction in strength and improvements in efficiency of the militia. The Suttie Commission indicated that in order to make the militia effective, some of these savings must be spent on equipment and training. The Committee agrees that this must be done. Little will be gained by cutting costs if the resulting militia is not more effective than at present.

76. Your Committee recognizes that the Department of National Defence has the sole responsibility for effecting changes in the reserve forces. Your Committee further suggests that the Conference of Defence Associations be encouraged to continue in an active advisory capacity to the Minister of National Defence.

R.C.A.F. AUXILIARY

77. The Draper Committee has recommended army air support as a specific role for the Air Force Auxiliary. The aircraft available to the Auxiliary have only a limited capability for an army air support role. The Auxiliary is therefore not able to provide full support for the army over a variety of tasks.

78. The cost of equipping the Auxiliary with up-to-date service aircraft, either for airlift or for tactical support, would be very high. The Committee believes that the priority for this type of equipment must rest with the regular force.

79. The major task therefore of the Auxiliary should be to maintain the flying skills, attained at great cost, of regular force aircrew who have retired from service, but whose age and physical fitness would still qualify them for service. This will ensure the availability of these skills in time of emergency.

80. Secondary tasks for the Auxiliary are its survival role for EMO, its search and rescue operations and its participation, with the army, in training exercises.

81. The Draper Committee suggested that economies of operation could allow more units to fly within the budgetary limitations. No concrete cost figures were given to support this contention. If this suggestion is valid, it would be logical to implement it. Further, consideration might be given to maintaining flying skills by allowing reservists to train with existing R.C.A.F. units, where suitable facilities and equipment exist.

RECOMMENDATIONS

82. Your Committee therefore recommends:

(*a*) that a supplementary reserve list be established for Regular and Reserve Force Officers and senior non-commissioned personnel who leave the forces while still young enough to be of service in an emergency. It is suggested that personnel be retained on such a list for a maximum period of ten years;

(*b*) that the National Defence Act be amended to provide for the call-out of reserves with provision for protection of employment;

(*c*) that fitness standards and age limits for Reserve personnel be prescribed so as to be more closely related to Regular Service requirements;

(*d*) that C.O.T.C. and U.N.T.D. programmes carry with them an obligation, on entry, that graduates actively serve in a Reserve unit for three years after graduation, where this is possible.

(*e*) that a senior officer be appointed at National Defence Headquarters, whose sole function will be the supervision of the operations of the Reserve Forces;

(*f*) that the administrative procedures of the Reserve be reviewed and simplified;

(*g*) that only personnel of high calibre be assigned, from the regular forces, to Reserve units;

(*h*) that the recommendations of the Hendy Committee dealing with training, administration, and age limits, be implemented;

(*i*) that the cost savings indicated by the Hendy Committee be checked. If these savings can be achieved, the strength of the R.C.N.R. be increased;

(*j*) that the Naval Reserve Air Squadrons not be put back into operation, but that the Department of National Defence investigate the feasibility of permitting Naval Reserve Air personnel, in Halifax and Esquimalt, to train with the Regular Force Naval Air Squadrons;

(*k*) that the number of units in the militia be established in accordance with factors outlined in Paragraph 73 in order to provide a more realistic organization;

(*l*) that those recommendations of the Suttie Commission, referred to in Paragraph 74, be implemented as quickly as possible;

(*m*) that sufficient funds be provided to equip and train the militia properly; and

(*n*) that a detailed cost study be conducted to ascertain the number of R.C.A.F. Auxiliary flying wings that can be provided within the budget available. The maximum number possible should be kept in operation.

83. In order to follow up the fifth chapter, further time is required to study the function and cost of the cadet programmes.

CHAPTER VI—GENERAL

84. A number of topics for further consideration were referred to in the Interim Report of the Special Committee on Defence at the end of the 1963 session. As some of these still remain to be considered, your Committee intends to study them at future meetings.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 1 to 17*), is appended.

Respectfully submitted,

DAVID G. HAHN,
Chairman.

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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

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TUESDAY, NOVEMBER 3, 1964

RESERVE FORCES

WITNESSES:

Honourable Paul T. Hellyer, Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21314—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Martineau,
Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Groos,	MacLean,	Smith,
Harkness,	MacRae,	Temple,
		Winch—(24).

(Quorum 13)

E. W. Innes,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, November 3, 1964.
(32)

The Special Committee on Defence met at 11:35 a.m. this day. The Vice Chairman, Honourable Marcel Lambert, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Brewin, Deachman, Fane, Groos, Harkness, Lambert, Laniel, Lloyd, MacLean, MacRae, Martineau, Matheson, McMillan, McNulty Pilon, Smith, Temple and Winch—(20).

In attendance: Honourable Paul T. Hellyer, Minister of National Defence; Honourable Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

The Vice Chairman, Mr. Lambert, tabled an informative paper prepared by the Department of National Defence for the information of the Committee. That paper, entitled *A Comparison of Defence Expenditures in Canada and Certain Other Countries,* was identified as *Exhibit No. 10.*

The Minister of National Defence, Mr. Hellyer, presented a statement respecting the *Reserve Forces.*

Mr. Hellyer tabled the following documents:

(*a*) Part II of the Report of the Commission on the Reorganization of the Canadian Army (Militia);

(*b*) Department of National Defence Position on the Recommendations of the Commission on the Reorganization of the Canadian Army (Militia);

(*c*) Reorganization of the Canadian Army (Militia).

On motion of Mr. Groos seconded by Mr. Temple.

Ordered,—That the abovementioned documents be printed as *Appendices A, B* and *C,* respectively, to this day's Proceedings.

The witness, assisted by Colonel McPherson, answered questions respecting his statement and related matters.

At 12:35 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

21314—1½

EVIDENCE

TUESDAY, November 3, 1964.

The VICE-CHAIRMAN: The meeting will come to order please. There is now a quorum. Will all the Committee members please sit at the table. I must apologize for the rather sudden notice which you received for attendance at this meeting, and also tender you the apologies of the Chairman who is unavoidably absent today.

Since our last meeting, another of the series of papers which were prepared for this committee has been received and distributed to you. At this time I would like to identify as Exhibit No. 10 the paper entitled "A Comparison of Defence Expenditures in Canada with Certain Other Countries." This was prepared by the Department of National Defence. It has already been distributed and will ultimately appear in booklet form, as the Clerk informs me. Is it agreed that it be identified as Exhibit No. 10?

Mr. LLOYD: I so move.

Mr. SMITH: I second the motion.

Motion agreed to.

The VICE-CHAIRMAN: The Minister of National Defence, Mr. Paul Hellyer, is present with us this morning. Gentlemen, you have had distributed to you Part II of the report of the Commission on the Reorganization of the Militia as well as the accompanying documents which have reference to the militia, and which indicates, if I have the proper conclusion, the decision of the Department of National Defence in regard to the commission's report. The Minister is now seated, and I call upon him to give you his statement.

Hon. PAUL. HELLYER (*Minister of National Defence*): Thank you very much.

The VICE-CHAIRMAN: Before the Minister begins perhaps I should say we have copies of the Minister's statement which are being distributed to the members of the committee. These will go to all committee members whether or not they are present today, and will also be available through the Distribution Office, to the members of the house.

Mr. HELLYER: Thank you very much, Mr. Chairman, and gentlemen, I would like to make the following statement on behalf of the Associate Minister and myself.

In presenting the estimates of the Department of National Defence on December 5th last, I stated that each element of the defence programme would be carefully studied with the object of establishing a more satisfactory ratio between maintenance and capital costs. This ratio has long been a matter of concern and has been the object of intensive study with the Department of National Defence during the past year. Our aim has been to discover ways and means of reducing overhead in order to redirect the money thus saved into more productive channels. During the course of our investigations in this area, the structure of the reserve forces came under close examination and it was apparent almost at once that the reserves could be reduced from the present levels. It was also apparent that a redefinition of the militia's role was needed in order to make it compatible with the forces-in-being defence concept, and this change would in turn require major organizational changes in the militia.

To this end a commission on the reorganization of the Canadian army militia was established under the chairmanship of Brigadier E. R. Suttie and

given the task of recommending the best means of fulfilling the militia requirements of Canadian defence policy and the changes which should be made in organization to permit the militia to carry out its revised roles more efficiently and realistically.

The commission was given the following terms of reference for guidance:

"In its primary role, there is a military requirement for the militia in support of the regular army. The emergency defence plan calls for the withdrawal of regular army personnel from the defence of Canada force and static installations to bring the field force up to war establishment. The militia will be required to form the framework for logistic and special units which are not provided in peace time. It is foreseen that approximately 9,000 militiamen would be needed for these two tasks within this role.

The second role for the militia is to provide a training force which will be required in time of emergency to support the field force. In this role, the militia must provide for the immediate and effective mobilization of three training brigade groups to replace the regular brigade groups despatched overseas and to provide the source of trained reinforcements for these forces overseas. In the initial stages this training force will be organized along lines similar to the field force but with only training scales of equipment. It will be built up in stages in accordance with the situation existing at the time and it must also be available for the defence of Canada and other tasks. Preliminary investigation reflects a requirement of approximately 18,000 officers and men.

The opportunity of training, equipping and committing militia units overseas is unlikely in the early stages of a future conflict except for special units.

In its third role, internal security, the militia will be required to provide trained officers and men for the guarding of key points, internment camps and like duties. It is estimated that there could be a requirement for at least 2,500 militiamen to be immediately available for these tasks in time of emergency.

Its fourth role will be to assist in fulfilling the army's national survival responsibilities. There is a need for special militia units to be available and trained to augment the regular army staff, on a 24-hour basis, at various national survival installations. For this requirement it is estimated that a total of 1,500 officers, men and women of the militia will be needed.

Notwithstanding, it must be recognized that in the event of an all-out nuclear war all military forces would be employed on survival operations. Therefore, the militia with all available regulars would be required to provide a framework for the conduct of survival operations using large numbers of civilians.

Based on studies of the continued requirement for the militia, it is concluded that a strength in the order of 30,000 officers and men is required to fulfill the above roles."

The commission first met early in February, and concluded its work in June. During the course of its deliberations it visited all commands and areas and had discussions with individual members of the army council, general officers commanding commands, area commanders, militia group commanders, and some militia commanding officers. In addition it invited and received correspondence from commanding officers unable to appear before the commission in person, and examined numerous briefs, papers and letters from interested members of the public at large. The result has been a thorough examination of all aspects of the organization, administration and operation of the militia in Canada and has resulted in recommendations covering the entire range of the subjects examined. Many of these are of fundamental significance and will, when implemented, alter the basic structure of the Militia organization.

The report has been carefully studied at defence headquarters and work has already begun on implementation of those recommendations considered to be of immediate importance.

Prior to describing generally the changes it is proposed to introduce, I should like to publicly thank Brigadier Suttie, the gentlemen of his commission, and the many others who helped the commission in the course of its study. They have made a significant and valuable contribution to the new defence concept and are worthy of high praise for their efforts.

Organization

As a direct result of recommendations contained in the report, several major changes in organization are contemplated. Some of these will be effected in the immediate future and should result in a smaller more efficient, fit militia.

The eventual result will be a militia having a numerical strength of the order of 30,000 all ranks based on an establishment of 41,748. It will consist of units located and organized to be available and capable of performing assigned missions within the concept of Canada's emergency defence plan. In some instances this will mean amalgamation and in almost all cases it will mean unit reorganization.

While some units must, of necessity, be placed on the inactive list, it is considered desirable to preserve their names in view of the contribution they have made in the past and against the possibility that changed circumstances might require reactivation. To facilitate this a supplementary order of battle will be created. All units not assigned a specific defence mission will be placed in the supplementary order of battle. These famous units names will not disappear.

Of the remaining units, those most affected will be what might be termed major units, that is to say units of the fighting arms normally commanded by a lieutenant colonel. In the past these have been organized on the basis of a war establishment approximating that of their regular force counterparts. In practice it was found that units were seldom able to obtain much more than one third of the personnel needed to fill the establishment with consequent ill-effects on all aspects of operational preparedness and unit efficiency. Under the present plan these will be reorganized on the basis of an establishment of 300 all ranks. Experience has shown that this figure is well within the reach of most major units.

Logistics and service units will also feel the effects of streamlining. In certain cities all units whose primary role is the provision of logistic support and services for the fighting arms, will be grouped together under a single headquarters to form a service battalion. This will bring the militia into line with the current regular force concept and will better fit it for its role.

It is envisaged that there will be a direct channel of communication between militia units and the area headquarters under whose command these are placed. As a result and in order to provide advice on militia matters each general officer commanding and area commander will appoint senior militia officers within his command or area whose primary purpose it will be to advise on all except medical and dental matters—the latter being referred to regular force officers. This will mean that militia group headquarters and medical and dental advisory staffs will no longer be needed.

There will no longer be a need for manning depots, and personnel selection units. These were originally created in order to effect a rapid build-up in the event of general mobilization. Under the new "forces-in-being" concept they will no longer have a part to play. Regular Force units will provide the essential services required in an emergency.

One recommendation of the commission might, at some time in the future, result in the creation of a new type unit. It has been recommended that consideration be given to the creation of special force units. The suggestion is an

interesting and topical one and will be examined when the basic reorganization phase has been completed, and the militia has embarked on its new training programme.

Equipment

Reorganization of the militia should result in a more favourable unit/equipment ratio than exists at present. In the past it has been difficult to maintain a high level of interest and enthusiasm in those units not having access to equipment on which to train.

It is hoped to improve the equipment situation but the process must, of necessity, be a gradual one.

There will be some alleviation of the situation when organizational adjustments have been completed in the regular force, but it is still too early to say what equipment resources will become available. It should be possible to provide standard military pattern vehicles as the regular army vehicle fleet is gradually replaced with new vehicles.

Radio equipment has been in chronically short supply and will continue to be so for a year or two, however, by 1968 the militia should be adequately provided with standard military pattern radio equipment.

A recommendation has been made that commercial pattern equipment be purchased for interim use by the militia. The suggestion is an interesting one and has been carefully examined to see whether the acquisition of commercial pattern vehicles and equipment would, on balance, be in the public interest.

In this regard the training advantages to be realized have been considered in the light of other factors such as non-recoverable capital expenditure, maintenance of non-standard items, and all that this implies, cost-effectiveness of commercial as opposed to military equipment, and the additional load such an expedient would place on regular army stores and repair facilities. On balance it has been decided that the advantages to be realized are of short term value and are more than outweighed by long term disadvantages.

Personnel

As a result of reorganization the militia's strength, now approximately 45,000, will be reduced. Where possible, physically fit, effective militiamen and women of units reduced in strength, deactivated or amalgamated with other units, will be absorbed with the establishments of reorganized units in their area. Where this is not possible, provision will be made for those possessing special qualifications, experience or skill, to be placed on a special list so as to be immediately available for recall to service when vacancies occur or a need arises. This will ensure that the reservoir of special skills and abilities now found in the militia group headquarters, manning depots and other units to be deactivated, will not be lost to the Canadian forces.

While dental units and personnel selection units as such are to be deactivated, dental officers and personnel officers will continue to serve in the militia. In addition to its medical officer, each major unit will have its own dental officer and his assistant as an integral part of the unit establishment. A personnel officer pool, similar to the pool of chaplains, will be established. In all, fifty personnel officers will be located at various centres across the country to be conviently available to unit commanding officers.

Another category of persons will be affected by reorganization. These are the call-outs, and permanently employed orderly room and quartermaster stores assistants. Under the present plan greater reliance is to be placed on support and assistance from regular army sources. Accordingly call-outs and permanently employed assistants will be phased out of the militia. The process of adjustment in this area is likely to take several months and every

effort will be made to minimize the disruptive effect on the lives of those involved. In all cases those concerned will be served with at least ninety days notice including one month's terminal leave on full pay and allowances.

Accommodation

Every effort is being made to reduce accommodation costs. Immediate savings will be realized by closing down unneeded armouries and releasing buildings held by lease or rental agreement. Following completion of the current phase of reorganization the whole accommodation situation will be re-examined to see where further savings can be made and where additional facilities are needed.

The commission has recommended that where economies in space so require, units should combine stores, orderly rooms and messes. The recommendation is both timely and appropriate. Recent experience has shown that two or more units occupying the same armouries can successfully operate from common-user facilities.

Administration

The commission was critical of, and closely scrutinized, administrative practices used in the militia. It has reported that many procedures are antiquated, cumbersome and unnecessarily restrictive and in consequence tend to stifle enthusiasm and sap the vitality of the militia. As a result reforms have been recommended in certain fields and these will be implemented to the extent practicable and desirable, in the immediate future. Everything possible will be done to lighten the administrative load. In this regard studies are currently in progress at Canadian forces headquarters aimed at eliminating non-essential paperwork and simplifying administrative procedures.

Similarly, the procedures used in accounting for public stores and equipment were examined. The commission has reported that the present system imposes an almost impossible burden on the personnel of the unit. They further state that in their opinion it is unrealistic to continuously list inventory at full original cost and have recommended that consideration be given to following the normal business practice of listing inventory at depreciated value.

This has been and will continue to be a problem area and is not capable of easy or quick solution. The present system of manual accounting was devised to conform with departmental controls and the Financial Administration Act. The department has long been aware of the problem and some time ago authorized the local introduction on a trial basis of a new system of accounting based on automatic data processing. Under this system stores accounts will no longer be kept at units but will be maintained at a central automatic data processing centre. This new method of accounting, once taken into general use, will relieve the unit of many of the problems now encountered.

Conversion to the new system will take some time, however, and in the meantime, every effort will be made to reduce the accounting load within the limitations imposed by legislation.

Accounting for stores at full original cost is a requirement of the Financial Administration Act. The object is twofold: first, to simplify the process of periodically evaluating items held on inventory and, second, to simplify the problem of determining who is competent to authorize write-off. Authorization to approve write-off varies according to total value calculated on the basis of replacement cost. Introduction of a new system based on depreciated value would create additional work and introduce new accounting complexities, both of which we seek to avoid.

The frequency and burdensome nature of ordnance inspection is another problem commented upon unfavourably by the Commission. At present regulations require that a complete inspection be performed at least once every two years. The object of the inspection is not to catch someone out but rather to ensure that the unit being inspected has an adequate accounting base for the next accounting period, and second, to advise the unit personnel in charge of stores and accounting in the proper care, control preservation and housing of stores. I am sure that you will all agree that to this extent at least, inspections are necessary and in the public interest.

The commission's inquiry also reached into the field of pay and allowances and has resulted in some interesting and useful recommendations. The first two of these refer to the system of pay itself.

It has been recommended that militiamen be paid on the basis of their training effectiveness, rather than on a per diem basis as at present. Under the proposed system a member of the militia would not qualify for pay unless he had attended 75% of the total number of parades comprising each training period. The militia training year would consist of four such periods, three to be carried out locally and one at summer camp. In addition, a member who had qualified for pay during all training periods of the year would be paid a completion bonus.

The proposal has a great deal of merit and will be studied in relation to the whole of the defence reserves. Studies are now being made at Canadian forces headquarters to determine its application on an integrated basis.

The second aspect is of more immediate concern, and relates to the administration of pay at unit level. It has been our practice in the past to vest control of funds made available to cover the cost of local training, at the highest practical level. This practice has resulted in cumbersome administrative procedures and a great deal of paperwork—all having the net effect of somewhat curtailing the militia commanding officer's authority and initiative.

Under the new regulations, soon to be published, the commanding officer will be given greater responsibility for the organization and administration of funds, within a total annual allotment and the administration connected with pay matters will be streamlined.

It was also recommended that the method of determining a unit's entitlement to contingency allowance be changed in order to directly relate the amount payable to the recipient unit's efficiency. The allowance is provided for the purpose of improving unit efficiency and is used to defray the costs of additional clerical assistance and expenses incurred through the upkeep of arms, clothing and equipment. A revised method has been devised and will soon be promulgated.

Transportation

It has been suggested that the provision of public transportation to and from his place-of-parade would help maintain the militiamen's interest and result in better attendance at local training. The commission's recommendation to this effect has been studied and will, in the near future, be embodied in a Canadian army order. The order will provide that where no other reasonable facilities are available, general officers commanding and area commanders may, within their allocation of militia funds, authorize the provision of scheduled transportation by the most economic means available, provided that the provision of such transportation is both necessary and advantageous.

Enrolment and career progression

If the militia is to make an effective contribution to national security under the forces-in-being concept, its personnel must be keen, vigorous and physically

fit. The commission has expressed concern about the operational readiness of the militia and has made several recommendations aimed at correcting what is considered to be an undesirable situation. Two primary recommendations have been made and will be implemented at the earliest possible opportunity.

The first is that all members of the militia must be physically fit to perform their intended operational tasks and the second is that officers and non-commissioned officers must be qualified for, and promoted to, successive ranks at a sufficiently early age to ensure vigorous and productive leadership.

With respect to the latter, it is intended to introduce regulations respecting age limits for promotion within the arms, i.e., armoured corps, artillery and infantry. Under the regulations an age limit would be established for every commissioned and non-commissioned rank, and would be the latest age by which a person could qualify for and be promoted to that rank. The age limit for lieutenant colonels would be 40, for majors 36, for captains 30, and for lieutenants 26. Similarly for warrant officers class one, it would be 40, for warrant officers class two 37, for senior NCO's 32 and for corporals 26. The effect would be to create a dynamic as opposed to a static rank structure such as is found today.

I might say in passing, that immediate application of the policy I have described would have a disruptive effect on the militia and, consequently, we will implement it with care, but nevertheless without undue delay.

The commission has also made recommendations concerning qualification prerequisites for promotion, and these will be incorporated in training instructions soon to be published.

With respect to enrolment procedures; the commission's recommendation that these be simplified and shortened are concurred in and early action will be taken to empower commanding officers to effect enrolments at unit level.

Of necessity, engagements must continue to be for a fixed period of time and it is considered that the present arrangement is satisfactory.

Canadian Officers' Training Corps

The commission has expressed concern over the relatively low percentage of COTC graduates who enrol in the militia following graduation. As a result, changes in policy will soon be promulgated which should have the effect of improving the enrolment of COTC graduates in the militia. The aim will be to establish a rapport between the militia and COTC applicants at the outset and to foster continuing interest through instruction and close association during all theoretical phases of training.

Student militia training

It has also been recommended that student militia training be vigorously pursued in the future, not only because of its obvious value as a prime source of well trained militiamen, but also in view of its great value to those enrolled in the programme.

The program was begun on local initiative in 1956 and has since escalated to national proportions. Its primary purpose is to train male high school students of 16 years of age and over so as to have a ready source of potential non-commissioned officers and officers available to the militia. Training is phased over three years and provides concentrated instruction in basic and selected specialist training subjects as well as leadership techniques.

It is intended to continue this program and, where possible, to relate it more closely to normal Militia training.

Training

No matter how well provided with personnel it may be, the militia cannot be an effective component of the Canadian forces until it is trained in those skills which are necessary for the execution of its assigned role. To this end, training objectives have been changed so as to more effectively utilize the limited training time available. The aim is to have a fully qualified officer and non-commissioned officer corps in being and to accomplish the training of enlisted personnel during the course of a two year training cycle.

Having regard to over-all priorities and fiscal and equipment considerations everything possible will be done to ensure that the militia is given a realistic and interesting training program. To the extent possible, commanding officers are to be given a greater degree of authority in the planning and execution of unit training. This will undoubtedly stimulate interest and vivify what otherwise might be a dull and unimaginative routine. To assist them in achieving realistic training we will endeavour to obtain additional training devices and simulators now used very successfully by individual units. As an example units at Winnipeg obtain realistic fire-correction procedures training by using a scaled landscape model and puffs of smoke to indicate the position of shell bursts. Similarly, at Edmonton, infantry mortarmen are able to train realistically using a pneumatically-propelled sub-calibre mortar bomb.

Greater emphasis is to be placed on physical fitness. All ranks will be expected to attain the appropriate level for their age, on the 5BX or 10BX physical fitness scales. Units have already been instructed to include physical conditioning periods in unit training programs.

Present policies respecting summer camps, attendance on courses conducted at corps schools, and attachment of selected individuals to regular army units, will continue to apply. Applicable regular army training manuals and subsequent amendments will be issued to the militia on a pre-established scale.

Greater use will be made of regular army personnel and training resources. Where militia units are located within reach of regular army units or camps, these will be called upon to lend facilities or provide training assistance to the extent that they are able. In addition a more direct form of support is envisaged. It is intended to support each militia unit with one or two regular army non-commissioned officers for continuous employment, and to create instructional cadres of skilled officers and warrant officer instructors based on regular units, depots and schools whose job it would be to organize training and conduct courses on an area basis.

Further, it is intended to provide Areas with one or two officers skilled in administrative procedures, whose full time job will be to help the militia units in their area. Their job will be to see that units are properly organized at the outset and that they are established on a sound and efficient administrative basis. They will be continuously available to the militia and will actively assist —not in the role of inspectors or advisers—but as helpers.

Authority of commanding officers

As mentioned before, much will be done to ensure that militia commanding officers are given adequate opportunity to exercise the authority implicit in their rank and position. The expenditure of training funds and the organization of training has already been mentioned as being one area in which they will be permitted to exercise greater authority. In addition, the system for controlling the use of armouries and other departmental buildings by non-departmental applicants is currently under review in order to determine to what extent and in what way militia commanding officers should be permitted more latitude. Similarly the regulations respecting powers of write-off are being studied with a view to determining the feasibility and practicability of extending this to commanding officers.

Dress

The commission's recommendations respecting dress and recognition badges have received careful consideration at Canadian forces headquarters. While there is no difference in the style or quality of dress issued to the militia, the provision of funds and relative priorities has resulted and will continue to result, in the militia obtaining new items of clothing later than the regular army. In addition, it is neither practical nor desirable to issue members of the militia with the full scale of items used by the regular army. Current regulations provide that militiamen can be issued with additional items from the regular force scales when their employment so requires.

A recommendation was made to the effect that officers, warrant officers and certain non-commissioned officers who incur expenses because of the requirement to outfit themselves, should be permitted to claim these as income tax deductions. The matter has received careful consideration by the appropriate authorities and it has been decided that a concession of this nature cannot be extended to a special group alone.

Public relations

The commission has recommended that a positive public relations program in support of the militia should be coordinated by the department in order to present to the public the contribution made by the militia to the community and the nation as a whole. The department agrees that a positive public relations program is necessary and that it should be centrally organized and coordinated. However, it does not feel that a national agency is necessary or advisable. The department's director of information services will be charged with the over-all responsibility for developing such a program with the militia itself. As recommended by the commission this program will be coordinated in the field at area level and one regimental officer per unit will be detailed to assist the commanding officer in this function. Area co-ordination will be provided by the appointment within the militia of two public relations advisers per area whose task it will be to advise on and co-ordinate public relations activities.

The conference of defence associations

The commission has made reference to the conference of defence associations and has suggested that the name and character of the association be changed. The suggestion has been considered and the objects of the association examined in view of its probable future contribution to Canadian defence matters. In the light of these considerations the commission's recommendation is being referred to the conference of defence associations for comment.

Financial implications

At the outset I stated that one of the main reasons for reorganizing the reserves was to effect economies and to redirect the money saved into more productive channels. A preliminary estimate of savings to be realized has been made and indications are that it should amount to approximately $8,750,000 annually.

Concluding remarks

I would like to make it clear that the aim of the reorganization is two-fold:

First, to make organizational adjustments consistent with the militia's assigned roles and a realistic appraisal of its capabilities; and

Second, thereby to obtain greater value for each dollar spent.

It is my hope that the basic features of the reorganization will be achieved by March 31, 1965. I am confident that all the conditions necessary for a successful transition are present and that the process, while intricate and difficult, will be an orderly one. I have no doubt that the end result will be a younger, fitter, more eager, vigorously led militia, capable of taking its place beside the regular army with pride, dedication and a real sense of purpose.

I should once again like to thank Brigadier Suttie and the gentlemen of his committee, for their most thorough and helpful study of the militia and for the many constructive recommendations they have made. Theirs has been a difficult task and a notable achievement and we are all most grateful to them.

I also have a statement on the Royal Canadian Naval Reserve and Royal Canadian Air Force Auxiliary.

Statement on the Royal Canadian Naval Reserve and Royal Canadian Air Force Auxiliary

You will recall that in February of this year the ministerial committee on the role and organization of the Royal Canadian naval reserve, chaired by Commodore R. I. Hendy, tabled their report. As a result of recommendations contained in the committee's report an increase in the complement of the R.C.N.R. was authorized, two R.C.N.R. divisions scheduled for closure were retained. The question of the remaining divisions scheduled for closure following the announced reductions in the R.C.N.R. made in December 1963, were to be studied further.

As a result of these studies it has been decided that the R.C.N.R. complement is sufficient for their allotted tasks, and it will not be necessary, therefore, to retain the R.C.N.R. divisions scheduled for closure, or to increase the R.C.N.R. complement to its previous level. Accordingly the R.C.N.R. complement has been established at 2,925 officers, men and wrens The R.C.N.R. divisions H.M.C.S. *Prevost* (London), *Queen* (Regina), *Nonsuch* (Edmonton), *Queen Charlotte* (Charlottetown) and *Kitchener Tender* to H.M.C.S. *Star* (Kitchener) are being closed as originally planned.

It is expected that the reductions will yield savings in the order of $1.8 million annually. A total of 1,675 R.C.N.R. personnel have been affected by these reductions, and approximately 80 regular force personnel have been made available for other duties.

At the same time as Commodore Hendy was conducting his investigation into the Royal Canadian naval reserve, a ministerial committee was convened under the chairmanship of Group Captain J. W. P. Draper. The committee was instructed to advise on the role and organization of the R.C.A.F. auxiliary. After careful study of the committee's report is was concluded that no change in the previously announced reductions could be recommended.

Prior to this, the R.C.A.F. auxiliary had been extensively reorganized since it had become apparent during the comprehensive review of defence activities conducted during late 1963 that, in competition with other defence functions for the resources available, auxiliary squadrons could not be retained except at those bases which would be kept operating in any case for regular force purposes. As a result the R.C.A.F. have retained two auxiliary squadrons at Montreal, two at Toronto, and one each at Winnipeg and Edmonton. It was necessary to close out those at Hamilton, Saskatoon, Calgary and two in Vancouver.

Additionally, there is no longer sufficient military requirement to justify the continued operation of the auxiliary technical training units and medical units. Therefore these units, a total of 20 in number, have been disbanded.

The reductions will yield annual financial savings of approximately $6.4 million in the field of operating and maintenance costs. Additionally,

40 light transport aircraft become available for disposal from the R.C.A.F. inventory. A total of 2,490 auxiliary personnel have been affected by the reduction. In addition, 576 positions for regular force personnel, formerly required to support the disbanded auxiliary units, have been made available for re-assignment.

The six squadrons being retained operate in the roles of short range transport, aid to civil authorities and support of the Canadian army during exercises.

The CHAIRMAN: Gentlemen, three other documents have been distributed to you which are not going to be read. The first is headed the "Commission on the Reorganization of the Canadian Army (Militia) Part II". Then, there is the Reorganization of the Canadian Army (Militia). The third document is the Department of National Defence paper on the Recommendations of the Commission on the Reorganization of the Canadian Army (Militia). These documents have been tabled and I now would entertain a motion that these documents be printed as Appendices to today's Minutes of Proceedings and Evidence.

Moved by Mr. Groos, seconded by Mr. Temple.

Motion agreed to.

The CHAIRMAN: The Chair is in the hands of the committee. The minister has indicated he is available until 12.30 for any questions of a clarifying nature.

Mr. SMITH: I have a question in respect of page 9. The minister mentions transportation. In some cases units are left in being but certain squadrons and platoons are withdrawn or moved to the regional headquarters. In this case is provision being made for those people who are fit and eligible in towns such as Orillia and Collingwood to continue in service and be reimbursed for transportation in any way?

Mr. HELLYER: I think it will be left to the discretion of the general officer commanding within the limitations set out in the statement.

Mr. SMITH: He will have some discretion in these matters?

Mr. HELLYER: Yes.

Mr. GROOS: I notice in the case of regiments in the Victoria area there are some companies in outlying towns which are remaining in the order of battle but the parent unit is being relocated at Victoria, and Victoria is 80 miles away. How is this done?

Mr. HELLYER: This would be quite impracticable so to all intents and purposes the unit in the outlying district would be disbanded. The transfer is in name only to the parent unit. This is for purpose of tidying up the record.

Mr. GROOS: It is virtually the same as being transferred to the supplementary order?

Mr. HELLYER: Yes, but the distinction is that when a parent unit is not being transferred to the supplementary order of battle, its subunits are collected with the parent unit.

Mr. GROOS: Are there any spare copies of the statement available to us? I would like to have a number of them.

The CHAIRMAN: Copies for distribution to members will be available through the distribution office. I am advised there are not enough copies for handing out to members now so that they can send them for immediate distribution to the affected areas.

Mr. HARKNESS: What is the meaning of this sentence on page 3:

> The eventual result will be a militia having a numerical strength of the order of 30,000 all ranks based on an establishment of 41,748.

Mr. HELLYER: I had hoped that sentence was self-explanatory.

Mr. HARKNESS: I do not think it is. As you know, we had a considerable amount of discussion on this point. Units will be allowed only to enlist up to 30,000?

Mr. HELLYER: No. The 30,000 is our estimate of what this establishment will produce. The establishments have been set at 300 for major units and 100 for minor units, but in some cases units will not be able to recruit their full establishment and 30,000 is an estimate of what the strength will be based on this establishment.

Mr. HARKNESS: But in actual fact any particular unit can recruit up to this establishment which, in the case of a larger unit, is 300?

Mr. HELLYER: Yes.

Mr. HARKNESS: Therefore, the possibility exists that you might have 40,000 people on strength in the militia.

Mr. HELLYER: This is a mathematical possibility. If it happened I think we would have to take another look at it, but it is so unlikely to happen I think our statement is about what will in fact be the result. As you know, there are many units even now that only have a strength of something in the order of 250 and minor units that have 50 or 60 with an establishment of 100. Therefore, we would be very much surprised if all of these were able to go up to maximum establishment.

Mr. HARKNESS: I would be very surprised, too, but I wanted to get at the actual meaning of this.

Mr. HELLYER: You are quite right that individual units will be permitted to do this if they are able to do it. It will provide a considerable amount of flexibility.

Mr. HARKNESS: In your reduced establisment of 300 for a major unit, what is the situation in respect of strength of officers and senior N.C.O.'s?

Colonel C. P. MCPHERSON (*Director of Militia and Cadets*): May I quote a comparison first and use an armoured regiment as an example? In its past establishment it had a total of 39 officers; it will now have 32. It had 88 warrant officers and senior N.C.O.'s; it will now have 52. It had 522 private soldiers and now will have 216.

Mr. HARKNESS: In effect, the strength of officers, in particular, and N.C.O.'s only to a lesser extent, has not been cut down proportionately. This is the very point we had before I made a pretty strong recommendation that the reduction in strength of officers and senior N.C.O.'s not be put in on the same proportion as privates, and so on. I am glad to see that the officers and senior N.C.O. strength has been caught up relatively to a greater extent.

Mr. MCPHERSON: I might give you a particular instance of the ratio in your own corps, the Royal Canadian Artillery. Prior to the reorganization, the ratio was one officer to 15.3 men on the establishment. Following the reorganization, the ratio will be one officer to 8.4 men. It is interesting to note that the present ratio between officers and men with regard to the effective strength is one to 7.3.

Mr. HARKNESS: What were the general principles of the amalgamation or transfer to the supplementary order of battle; what are the general principles upon which units will be done away with or put in this category, and so on?

Mr. HELLYER: As you know, there were a number of factors. These, of course, had to be taken together in order to reach a judgment. These factors included the requirement, the rules set out in the terms of reference, the cost effectiveness of units, training facilities available, relation to regular army training facilities for the particular corps required, accommodation available, training activity, the number of similar units in a locality, recruiting potential, national balance of arms and service in the militia. These factors all were taken into consideration.

Mr. HARKNESS: On the last point, balance of arms, how many of the major combatant units, armoured, artillery and infantry, in particular, in each case are being deactivated?

Mr. MCPHERSON: As an example, we had 26 armoured units in the country. We will now have 20. In the Royal Canadian Artillery we had 36 major units and eight minor units. That figure now will be 22 major units and four minor units. In the other major corps, the infantry, we had 60 and now will have 51 major units and two minor units.

Mr. HARKNESS: What is the reason the chief reduction seems to have taken place in the artillery?

Mr. HELLYER: Guns.

Mr. HARKNESS: What do you mean by guns?

Mr. MCPHERSON: Requirements.

Mr. HELLYER: I think if you look at the over-all situation you will see that there is not a requirement proportionately for the number of artillery units previously established and there also is the very real problem, as you can appreciate, that if a mobilization were required, the lead time in obtaining artillery equipment is much greater than it is, for example, in light infantry. This is a factor which cannot be be ignored in a judgment where you are considering mobilization as one of the factors.

Mr. HARKNESS: On the other hand, it is not as great as in the case of the armoured, the engineers and some other technical corps.

Mr. HELLYER: That is correct, but the proportion of reduction in the armoured in relation to the artillery is not too different.

Mr. HARKNESS: I would say there is quite a disproportion.

Mr. HELLYER: Also, the training in some of the armoured units will be changed to reconnaissance.

Mr. MCPHERSON: Of the 20 armoured corps units ten will train as armoured units and ten as reconnaissance units.

Mr. MACRAE: I would like to deal with specific units. I would expect that the members of the committee as well as members of parliament will be receiving a great many telegrams and phone calls within the next 48 hours, and I would like to ask who we should get in touch with. I have questions dealing with two famous regiments, the North Shore and the Carleton and York, both of which I served with. I would like to know whom I should contact in national defence headquarters this afternoon in order to obtain specific answers.

Mr. HELLYER: The answers are all in the order of battle which you have.

Mr. MACRAE: No. You misunderstood me. I had not intended being specific, but I will. The Carleton and York regiment retains its four rifle companies, its support and headquarters company and battalion headquarters. The North Shore regiment is, I understand, of equivalent strength but retains two companies only, one at Campbellton and one at Newcastle. I would anticipate there will be questions asked about that.

Mr. HELLYER: I think there are some cases where additional information can be given. I believe the director of public information will be the channel of communication through to the people responsible, or you might contact my office or Mr. Cardin's office if you prefer.

Mr. MACRAE: Did you say the director of public information?

Mr. HELLYER: Yes, Colonel Bourgeois.

The VICE-CHAIRMAN: The meeting will stand adjourned to the call of the Chair.

APPENDIX "A"

NOTE—*Original pagination of this Report is indicated in margin*

REPORT
of
THE COMMISSION
on the
REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
PART II

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SUMMARY OF RECOMMENDATIONS

Militia Headquarters and Militia Advisors Page 10

That the present 27 Militia Group Headquarters be replaced by 15 Militia Headquarters and five Militia Advisors.

Call-outs Page 12

That, as the Regular Army increment will make the appointment of call-outs redundant, personnel affected should, on termination of employment, be given terminal leave equal to one month's pay for each year of service.

Trades Qualifications Page 15

That similar civilian trade qualifications be recognized for Militia trades-pay.

The Young Militiamen Program Page 18

That the Young Soldiers Training Program be re-designated the Young Militiamen Program and that the potential advantages inherent in this Program, both to the Militia and the youth of the country, be vigorously pursued.

Manning Depots and Personnel Selection Units Page 20

That Manning Depots and Command Personnel Selection Units be disbanded.

Canadian Officers' Training Corps Page 21

(*a*) That university students, before being accepted as COTC candidates, should be accepted by a Militia unit.

(*b*) That, when commissioned, they should fulfill a voluntary commitment to serve with a Militia unit.

(*c*) That, unless there exists a satisfactory flow from COTC to Militia units, the COTC plan be abolished.

Page 3

Canadian Women's Army Corps Page 23

(*a*) That the CWAC be continued and their recruitment in units be encouraged.

(*b*) That promotion of CWAC personnel be a unit responsibility.

(*c*) That before promotion to Senior NCO rank and again before being commissioned, CWAC personnel be required to attend at least one summer concentration of their Corps.

Medical Units Page 24

(*a*) That, where applicable, medical units should continue and form part of the Service Battalion.

(*b*) That medical advisory staff comprising one Colonel and a clerk on the basis of one per Command should be authorized and located in Command Headquarters.

Royal Canadian Dental Corps Page 25

(*a*) That a Dental Headquarters be established in each Command.

(*b*) That a dental officer and one dental assistant be attached to each major unit.

(*c*) That dental officers now serving who become surplus to requirements be posted to the Special List.

Supplementary Order of Battle Page 26

That units removed from the current Order of Battle should be transferred and held in the listing to be known as the Supplementary Order of Battle.

Special List Page 27

That officers, especially those with specialist or technical qualities, retired for reasons of age, be encouraged to transfer to the Special List.

Service Battalions Page 28 Page 4

That Service Battalions be constituted in larger cities and that these bear the name of the city.

Special Units Page 30

(*a*) That experimental sub-units be formed in selected units to train in guerilla warfare and related activities as a special force in the Militia.

(*b*) That the formation of an emergency reserve similar to British "Ever Readies" should be initiated when it is apparent that Regular Army resources are overextended.

Transportation Page 34

That where necessary and advantageous transportation should be provided to carry militiamen to and from parades.

PART II Page 5

INTRODUCTION

The subject matter contained in Part II of the Commission's Report is derived from two sources. Firstly, there are the detailed proposals which logically follow the general recommendations stated in Part I. In these proposals, the detail has been spelled out in order that the intent of the related recommendation is clearly understood. It is recognized that implementation will be carried out by the various staff echelons and, of necessity, must involve a number of people. It follows that a clear definition is required to ensure uniform interpretation.

Secondly, a number of recommendations are included on matters specifically related to organization rather than to principles and policies. To the extent it is deemed necessary, these recommendations are given in detail.

A section of this Report is devoted to the future status of Militia units and sub-units in each Command. It can be expected that this section will be critically scrutinized and will generate, for obvious reasons, strong objections from individuals and groups identified with those units which will be removed from the Order of Battle or relegated to a lesser status.

The Commission wishes to reiterate its concern that unless the announcement of these changes and the resultant implementation
Page 6 are most carefully planned, a serious blow to the morale of the Militia generally, will be inevitable. It is important that the proposals affecting units be held in strictest confidence until approval has been given. Publicity should be delayed until personnel in the units concerned have been advised. Morale is sensitive rather than sensible and involves emotions rather than facts. Delicate handling of this portion of the Report is a matter of first importance.

MAJOR AND MINOR UNITS

In Part I of the Report reference is made to major and minor units. Although a numerical definition of these units is required to provide a guide, implicit in the concept of major and minor units is quality as well as quantity. The overall assessment should include general efficiency and take into consideration the number of qualified personnel trained by the unit.

A major unit is a Lieutenant Colonel's command with a total establishment of 300 all ranks including an authorized band. Major units having sub-units in more than one locality may be authorized
Page 7 additional company strengths as appropriate. A minor unit is a Major's command with an establishment of 100 all ranks.

At the review prior to change of command, a major unit whose effective strength is less than 50% of the revised establishment should be reduced to a minor unit. Similarly, a battalion or equivalent designated a minor unit on obtaining an effective strength of 50% of the establishment of a major unit may be considered for upgrading to a major unit. It will be clear from the proposed formula that an incentive is provided for Commanding Officers to keep both strength and performance at a high level to avoid being downgraded or, conversely, to obtain the status of a major unit. The proposed review on change of command provides normally a three year period for Commanding Officers to demonstrate performance. The review should take place immediately prior to the change of command and the redesignation, if any, be recommended by the Militia Commander or Militia Advisor and be concurred in by the Area Commander concerned. (See also Part I, page 20.)

MILITIA HEADQUARTERS AND MILITIA ADVISORS

Militia Group Headquarters were formed at the time of the
Page 8 last reorganization in 1954. The recommendation proposed 25 Militia Group Headquarters as replacement for the 35 Militia Formation Headquarters existing at that time. No establishment was suggested other than a minimum requirement of one officer and one NCO for each Headquarters. As of 30 April 1964 the total strength of all Militia Headquarters was 354 officers and 287 men. This is a most impressive demonstration of Parkinson's Law and the chief reason for the Commission's recommendation that the name be changed and a firm establishment assigned.

Although some Headquarters are doing an excellent job, this is largely due to the inventiveness and energy of the Commander and not because a real need exists at an annual direct cost of $940,000. The present arrangement is far too costly in relation to its usefulness. It is felt that on a much reduced basis there is a continuing role largely to provide staff training for good ex-Commanding Officers and to provide Area Headquarters with advice and assistance in resolving unit problems. Some staff training of selected Militia Officers could be achieved without increasing the Headquarters establishment by attaching unit officers to a Militia Headquarters for special exercises or summer camp.

The proposed establishment should consist of a full Colonel to be called the Militia Commander, a Lieutenant Colonel, Deputy Commander and a staff officer in the rank of Major qualified in A & Q matters. The function of the Headquarters would be to advise units in all G, A and Q matters including summer camps, selection and promotion of officers. They should have no responsibility for administrative paperwork and where possible be quartered with Area Headquarters. Direct communication on administrative matters should exist between the Area Headquarters and the unit. In some localities a full Headquarters is not required and a Militia Advisor in the rank of Colonel is proposed to provide advice to units. It is recommended that one Militia Commander may be appointed a Brigadier in the Commands as presently constituted. This officer should be carefully selected for his qualifications and experience and the four appointed in concert could form a Committee to advise Defence Headquarters staff on Militia matters across the country. Page 9

Detailed requirements proposed by the Commission are as follows and total 15 Militia Headquarters and five Militia Advisors in lieu of the present 27 Militia Group Headquarters.

MILITIA HQ

BC Militia Headquarters	Vancouver
Edmonton Militia Headquarters	Edmonton
Calgary Militia Headquarters	Calgary
Sask Militia Headquarters	Regina
Man Militia Headquarters	Winnipeg
Western Ont Militia Headquarters	London
Northern Ont Militia Headquarters	Sault Ste Marie
Hamilton Militia Headquarters	Hamilton
Toronto Militia Headquarters	Toronto
Eastern Ont Militia Headquarters	Ottawa/Kingston
Montreal Militia Headquarters	Montreal
Sherbrooke Militia Headquarters	Sherbrooke
Eastern Quebec Militia Headquarters	Quebec
NB Militia Headquarters	Fredericton/St John
NS/PEI Militia Headquarters	Halifax

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MILITIA ADVISORS

BC Interior Militia Advisor	Vernon
Northern Sask Militia Advisor	Saskatoon
Trois Rivieres Militia Advisor	Trois Rivieres
PEI Militia Advisor	Charlottetown
Nfld Militia Advisor	St John's.

Recommendation:

That the present 27 Militia Group Headquarters be replaced by 15 Militia Headquarters and five Militia Advisors.

REGULAR ARMY INCREMENTS

Part I of the Commission's Report envisages a system of Regular Force personnel attached to Militia units in replacement of the present Regular Army instructional pools and call-outs under Canadian Army Order 94-2. Requirements of units vary with location and number of sub-units and consequently it is not possible to propose a fixed scale for major and minor units. It is necessary, therefore, that each unit be dealt with individually according to its circumstance. The proposed Regular Army requirement with respect to each unit is shown in detail in Appendix 3 to Annex 1 of this
Page 11 Report. In general the scale for a concentrated unit should be a Captain or junior Major, a Warrant Officer and two Sergeants if a major unit; an officer, one Warrant Officer and one Sergeant is proposed for a minor unit, but with variations according to locations and number of sub-units.

Both Regular Army and Militia Commanders strongly supported the principle of Regular Army personnel attached to units for the mutual benefit of both the Regular Force and the Militia. The total officers and NCOs needed to satisfy this requirement will be less than the present instructional staff for the Militia. In addition the 332 call-outs under Canadian Army Order 94-2 will be eliminated. Regular Army personnel should be attached to a unit for duty, and should not be withdrawn for special duties by Area HQ without the concurrence of the unit Commanding Officer.

CALL-OUTS

The reorganization anticipates the orderly termination of the 332 call-outs presently on strength. These appointments will become redundant when the Regular Army assistance increment is posted to the unit and cessation of employment should take place at that time.

These WOs and NCOs are not entitled to any special consideration by virtue of the terms of their employment; nevertheless,
Page 12 because of their employment the Department of National Defence does have a moral responsibility to ensure they are not abruptly terminated or unjustly treated.

Annual reductions in the cost in excess of $1.5 million will result from their termination and consideration should be given to a formula of re-establishment allowance to WOs and NCOs in this category. Based on performance while so employed, it is recommended that terminal leave of one month's pay of rank for each year of service should be granted to call-outs on termination.

Recommendation:

That, as the Regular Army increment will make the appointment of call-outs redundant, personnel affected should, on termination of employment, be given terminal leave equal to one month's pay for each year of service.

QUALIFICATIONS

Qualification requirements for officers, NCOs, and militiamen should be reviewed and revised together with age limits for promotion for officers and NCOs.

Officers:

Lieutenant:

Provisional 2nd Lieutenants should be required to complete qualifications to Lieutenant based on common to all corps subjects within a maximum period of two years. The present limitation of five years in the rank before promotion should not prevent the earlier promotion of keen and qualified young officers when a vacancy exists. Page 13

Captain:

Lieutenants should qualify for promotion to the rank of Captain within three years of their appointment as Lieutenants. Captain qualifications should include passing a course based on corps subjects.

Major:

Qualification for field officer rank should include passing the field officer's course, emphasizing the employment of all arms and including tactics and brigade deployment.

Lieutenant Colonel:

Promotion to command in the rank of Lieutenant Colonel should be restricted to officers who have satisfactorily completed the Militia Staff Course and had received superior ratings in previous ranks.

NCOs:

Junior NCOs:

Prerequisite for promotion should include one block of a two block trade Gp 1 and common to all Corps NCO course.

Senior NCOs: Page 14

Final block of two block trade Gp 1 and Special to Corps Senior NCO Course.

Staff Sergeant:

Qualified Senior NCO and block one of a two block trade Gp 2.

WO2:

Qualified Senior NCO and final block of two block trade Gp 2.

Militiaman:

Recruit's qualification should require satisfactory completion of the common to all Corps Training Syllabus.

Trained Militiaman:

To qualify for the designation of "trained militiaman" a recruit must have satisfactorily completed the Special to Corps Training Syllabus.

As stated in Part I, officers and NCOs serving in combatant units should be qualified for and promoted to the respective ranks prior to attaining the following suggested ages:

Lieutenants	Age 26	Junior NCO	Age 26
Captains	Age 29	Senior NCO	Age 32
Majors	Age 34	WO2	Age 37
Lt Cols	Age 37	WO1	Age 40

The retirement age for officers and NCOs in technical and service units should conform with Regular Army practice.

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TRADES QUALIFICATIONS

Militia tradesmen cannot be expected to obtain the same standard as the Regular troops and separate qualifications should be established for ab initio training of tradesmen. Further, civilian trade qualifications should be recognized as partial or even full qualifications for Militia trades-pay where skills are similar. The impossibility of obtaining trade qualifications within a reasonable time discourages militiamen and fails completely in its objective.

Recommendation:

That similar civilian trade qualifications be recognized for Militia trades-pay.

PAY

Part I outlined in descriptive form a new proposal for Militia pay in the form of bonus rather than a per diem rate. Apart from providing an incentive for attendance at parades, the proposed system would substantially reduce the administrative paperwork under the present procedures. (See Part I, page 30.) The intention is that this

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new procedure would be applicable for local training and summer camp. Attendance at Corps Schools or similar full time courses would be carried out under normal Pay and Allowance Regulations.

Appendix 1 to Annex B shows the scale of bonus, after tax deductions, for all ranks with an example of how the bonus is computed.

Appendix 2 to Annex B is an example of the proposed Canadian Militia Bonus Ledger Sheet.

Appendix 3 to Annex B is an example of the proposed Canadian Militia Bonus Voucher.

The Commission is of the opinion that the latter two forms will replace the existing paperwork and that this will be all the documentation necessary with respect to pay. Adherence to the Block system allows for no exceptions, nor should any be needed.

THE YOUNG MILITIAMEN PROGRAM

The Young Soldiers Training Program, also called the Student Militia Training Program, has the unanimous endorsement of both Regular and Militia Commanders. It is not yet clear that the Program will provide a flow of militiamen to units, largely because it has not been in operation long enough to indicate a pattern. However, it is

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established beyond question that young men who undertake this

training derive great benefit from it. Commanders who have operated programs commented, without exception, on the remarkable improvement achieved by these young soldiers in a very short training program. Their keenness and application earned the highest praise wherever the Program was discussed.

Improvement could be achieved in two areas. Firstly, the increasing popularity of the Program should permit a more stringent selection procedure. Secondly, there are variations in the Program between Commands and efforts should be made to establish uniform training standards applicable across the country, and operate the Program within the unit rather than a separated project. It is suggested that a Manual for the guidance of all Commanding Officers be prepared based on the experience and procedures developed by a selected Commanding Officer who has been highly successful in the operation of the Program. As a first step toward uniformity, the Commission recommends that a new name, i.e., Young Militiamen Program, be immediately taken into use in all Commands.

There is a strong expectancy that when the average age of the Militia is reduced, the young militiaman will be encouraged to join the Militia and the Program will be a major source of recruits.

The benefits to the individual militiaman from this training, however, go far beyond the immediate objective of finding recruits for Militia units. Training in self-discipline, group activity and the re- Page 18
sponsibilities of citizenship are provided to a youth at a critical age in his development. The broad benefits to the individual young man strongly suggest that this program should have complete endorsement by the Federal Government as a whole.

Recommendation:

> That the Young Soldiers Training Program be re-designated the Young Militiamen Program and that the potential advantages inherent in this Program, both to the Militia and the youth of the country, be vigorously pursued.

MANNING DEPOTS AND PERSONNEL SELECTION UNITS

Manning Depots were created to prevent the reoccurrence of the confusion experienced in the mass recruitment of the 27th Brigade for Korea. The new concept of forces-in-being and the roles assigned to the Militia has made Manning Depots redundant and accordingly they should be disbanded. The same disposition also applies to the Command Personnel Selection Units.

The direct cost of maintaining Manning Depots is in excess of $650,000 annually. Their artificial duties are the complete documentation of the Militia in accordance with the Regular Army procedures. The enrolment of a militiaman is a major operation using the Regular Army form. A militiaman who presents himself at a unit may be Page 19
delayed from three to six weeks before he is accepted and the necessary paperwork processed. The effect of this is to discourage potential recruits who are unable to understand why it takes this length of time before their application is completed.

In Part I of the Report it was recommended that a recruit should be engaged by the unit and at the time he first presents himself for

enrolment. This can be accomplished by completion of the attestation card used prior to 1939 and can be completed under unit control. This simple document, which contains all essential details, would be substituted for the present five-part form which takes hours to complete. As an indication of the detail involved, Part One of the form has 39 sections on personal information and two full pages are required for the medical examination. It is not surprising that it takes a minimum of three parade nights to process the form.

In the first instance, it is important to enroll a recruit promptly, and the avoidance of this mass of paperwork at this stage is imperative, particularly when it is recognized that the turnover in the Militia exceeds 100% annually.

Selection procedures are not required at the time of enrolment because they involve so much waste effort in relation to the number of militiamen who remain with the unit. The Commission feels, however, that when a militiaman is qualified and considered for promotion to Junior NCO rank, the selection procedures should be carried out at that time, and provision should be made for Personnel Selection Sections to be retained for this purpose, and to train regimental officers in selection techniques.

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A Personnel Selection Officer and clerk and a Personnel Selection Training Officer and clerk would comprise the Personnel Selection Section. There would be a Section attached to the Area Headquarters in each Area and in addition a Personnel Selection Officer and clerk on the basis of one per 600 all ranks Militia in the Area to be attached to selected units to facilitate the processing of militiamen prior to promotion. Half of the above officers may be Majors and clerical personnel may be CWAC or men in the rank of Sergeant.

To ensure a reserve of trained, up-to-date PSOs, for emergencies, a number of PSOs equal to the above establishment would be called out for a two-week course at a Regular personnel depot or camp annually.

All Manning Depot and Command Personnel Selection Unit officers surplus to the proposed establishment would be posted to the Special List and those called out for training would normally be obtained from the Special List.

Recommendation:

That Manning Depots and Command Personnel Selection Units be disbanded.

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CANADIAN OFFICERS' TRAINING CORPS

One purpose of the COTC in the past has been to provide a flow of trained officers to Militia Units. In recent years, officers from this source have not, in any appreciable number, joined the Militia.

University students before being accepted as COTC candidates should be accepted by a Militia unit in the locale of the university which they attend. On completion of their university training and on being granted a commission they should fulfill a voluntary commitment to serve with a Militia unit in the community in which they eventually take up residence. It is the opinion of the Commission that unless ways and means are found to provde at satisfactory flow from COTC to Militia units, the COTC plan should be abolished.

Recommendations:

(*a*) That university students, before being accepted as COTC candidates, should be accepted by a Militia unit.

(*b*) That, when commissioned, they should fulfill a voluntary commitment to serve with a Militia unit.

(*c*) That, unless there exists a satisfactory flow from COTC to Militia units, the COTC plan be abolished.

CANADIAN WOMEN'S ARMY CORPS

Page 22

The CWAC with a numerical strength of 218 officers and 3254 Other Ranks is the fourth largest Corps in the Militia. Approximately half of these ORs are serving in units in the 18 trades open to women personnel. In past emergencies it has been demonstrated that women can perform many jobs normally assigned to men. The CWAC can undertake duties with static units, transport units and clerical and communications duties in the Security and Survival roles. To the extent they are able to release men for combat duty their contribution is a most valuable one.

It is the view of the Commission that the CWAC should be retained and women should be encouraged to join units in the respective trades open to them. While serving with units, promotion to NCO ranks should be on the recommendation of the Commanding Officer and in accordance with the provisions of Canadian Army Order 256-6.

The number of women serving in any one unit is insufficient to give them needed training in leadership, and this should be provided by summer concentration of CWAC personnel. CWAC personnel should attend a summer concentration before promotion to Senior NCO rank and again before being commissioned. This training is essential, since it can be expected that CWAC in the Militia would have to provide officers and NCOs in time of emergency to direct the rapid expansion of the Corps.

Recommendations:

Page 23

(*a*) That the CWAC be continued and their recruitment in units be encouraged.

(*b*) That promotion of CWAC personnel be a unit responsibility.

(*c*) That before promotion to Senior NCO rank and again before being commissioned, CWAC personnel be required to attend at least one summer concentration of their Corps.

MEDICAL UNITS

The present Militia medical companies appear to be the best means of training medical personnel who will be immediately required in the event of an emergency. Existing medical companies in localities where Service Battalions will be formed should become the medical unit of the Service Battalion. The Militia medical advisory staff should continue on the basis of one per Command to maintain liaison with the profession and to encourage trained medical personnel to join Militia units.

In order to retain as many medical officers as possible in uniform, supernumerary medical officers should be authorized for major units and for sub-units when located a considerable distance from their respective headquarters. Medical officers now on strength surplus to the revised requirements should be transferred to the Special List
Page 24 of Officers and when required they would be available for attendance at summer camps or special medical courses.

Recommendations:

(*a*) That, where applicable, medical units should continue and form part of the Service Battalion.

(*b*) That medical advisory staff comprising one Colonel and a clerk on the basis of one per Command should be authorized and located in Command Headquarters.

ROYAL CANADIAN DENTAL CORPS

The existence of dental units is largely a device to have dental officers in uniform available in the event of an emergency. The training of dental companies has not proven a practical matter and accordingly dental companies should be disbanded.

In order to maintain dentists in uniform it is proposed that there should be a Dental Headquarters established in each Command. This headquarters would consist of a Commanding Officer, 2IC, Adjutant QM, one dental assistant and one dental storeman. In addition, a dental officer and one dental assistant should be attached to each major unit. The duties of the Commanding Officer of the Dental Head-
Page 25 quarters would be to maintain liaison with the profession and to assist in recruiting dental officers for attachment to units.

Dental officers now serving who will be surplus to requirements should be posted to the Special List. Consideration should be given to calling these officers out for refresher courses in field dental administration and to participate in summer training. The detail of the above proposal forms part of Appendix 3 to Annex A.

Recommendations:

(*a*) That a Dental Headquarters be established in each Command.

(*b*) That a dental officer and one dental assistant be attached to each major unit.

(*c*) That dental officers now serving who become surplus to requirements be posted to the Special List.

REGIMENT DE HULL

In the course of its investigation the Commission was made aware of the difficulty, in Quebec Command, of servicing properly the unit in Hull because of its distance from Montreal and Three Rivers respectively. Proximity to Ottawa logically suggests that for administrative and training purposes this unit should come under Eastern Ontario Area. This proposal is contained in Appendix 3 to Annex A.

SUPPLEMENTARY ORDER OF BATTLE

Page 26

In Appendix 2 of Annex A, the term "Supplementary Order of Battle" is introduced in connection with the disposition of units and sub-units. It is considered that units removed from the Order of Battle should not be treated as de-activated or dormantized or any similar term. In order that the name of the unit might be preserved and to facilitate the reactivation of the unit in the future, a Secondary Order of Battle is proposed. It can be expected that the international situation will not remain constant and that the requirements for units, therefore, could vary in the future. The creation of a Supplementary Order of Battle provides a logical repository for units and carries a connotation that the unit, if required, can readily be mobilized in the active Order of Battle.

Recommendation:

That units removed from the current Order of Battle should be transferred and held in the listing to be known as the Supplementary Order of Battle.

SPECIAL LIST

Page 27

The reorganization of units and establishment of age limits for respective ranks will mean the involuntary retirement of a large number of officers in all ranks. Officers who are retired under the proposed changes should have their present rank confirmed on transfer to the Reserve of Officers. All officers who express a willingness to serve in some capacity in static or Internal Security units as suggested in Part I, page 21, should be posted to the Special List.

Specialist officers, i.e. medical, dental, selection of personnel officers and officers with technical qualifications should in every instance be encouraged to transfer to the Special List pending decisions which might require their services in a different capacity in the future. In effect, the Special List would provide a means of holding available officers until their further requirement could be determined.

Recommendation:

That officers, especially those with specialist or technical qualities, retired for reasons of age, be encouraged to transfer to the Special List.

SERVICE BATTALIONS

Page 28

It is proposed in Appendix 3 of Annex A to constitute Service Battalions in larger cities. Except when indicated in this Appendix, a Service Battalion will bear the name of the city in which it is located. It is not intended that Service Battalions in the Militia Order of Battle should be identical with the Experimental Service Battalion of the Regular Force. Its purpose is to provide a headquarters formation responsible for the services units in the particular locality and its composition will necessarily vary from city to city. The unified headquarters will function as a regimental

headquarters for services units of company strength such as RCASC and RCAMC. The number of these will vary depending on the units or sub-units of the respective corps remaining in each locality.

Recommendation:

That Service Battalions be constituted in larger cities and that these bear the name of the city.

SPECIAL UNITS

Page 29

Since the beginning of history, armies have had special units which have formed the corps d'elite of these armies. Association with these units was the objective of all keen soldiers, and because they were special, the units set the standard of training and performance for the entire army. In World War II, Jock columns in the desert, Special Air Service in Italy, and Wingate's Chindits are examples of special units which distinguished themselves in battle and won lasting fame.

There is a need for similar units in the battle order of the Militia to satisfy the interest inherent in soldiers to belong to a special and distinguished unit. A number of proposals have been received along these lines, and it is the opinion of the Commission that a special unit should be tried experimentally to determine whether in fact it is a worthwhile objective.

A commando type unit specially trained in guerilla warfare and related activities is certain to have a unique appeal to keen militiamen. On an experimental basis it is proposed that selected units undertake the formation and training of a sub-unit within their establishment. Special assistance would be provided by the Regular Forces and, depending on results, the project could be expanded.

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Along these lines the British have formed the Army Emergency Reserve, called the "Ever Readies". Personnel who volunteer are carefully selected from territorial army units. They receive a substantial bounty (£150 a year) if they sign on for one year and agree to be available for service outside the country up to six months in the year. If called out, they receive an additional bonus and their civilian job is protected by law. The purpose of the "Ever Readies" is to have immediately available a stand-by force for emergency purposes. It is not considered that the defence commitments of Canada warrant the formation of a similar force at the present time. However, should additional commitments under U.N. or NATO arrangements overextend Regular Army resources, this means of providing an immediately available reserve pool should be implemented.

Recommendations:

(*a*) That experimental sub-units be formed in selected units to train in guerilla warfare and related activities as a special force in the Militia.

(*b*) That the formation of an emergency reserve similar to British "Ever Readies" should be initiated when it is apparent that Regular Army resources are overextended.

ARMOURIES

The reorganization of the Militia has eased considerably the accommodation problem that existed in many parts of the country. However, there remain a few areas where the situation is critical and requires early attention. These localities presently have units which are vigorous despite the handicap of inadequate accommoda- Page 31
tion. Unless some positive plan is made to alleviate the situation, it can be expected that in the process of time the units will lose their interest and enthusiasm.

Listed below are localities which the Commission considers should have immediate attention:

Vancouver:

It is suggested that a study of Armoury accommodation be made in the Vancouver Area for the following reasons:

(1) Although promised, there have been no new buildings constructed since 1935. During that period of time there has been a decided shift in population which places the Beatty Street Armouries in a most unenviable position. It is a venerable landmark in the City's history with no outdoor drill space or parking area, bypassed by progress and serving fewer people each year.

(2) Four years ago rented accommodation housing the Irish Fusiliers was destroyed by fire. Since that time the Irish have been occupying sub-standard accommodation.

(3) The land occupied and owned by DND at Jericho has long been coveted by the City of Vancouver for recreational purposes. Each year new attacks are made by the City to obtain this valuable waterfront property. It might be possible for DND to release, rent or trade this property to the City and new accommodation made available for the units presently being housed there.

Funds for a multiple purpose armoury could be found from the Page 32
disposal of Beatty Street and from that DND property recommended for disposal by the Commission.

Kimberley:

The 17th Fd Sqn in Kimberley occupies a lodge hall and a garage at an annual cost of $4600. This space is entirely inadequate for the unit and should be replaced by a company-sized armoury.

Sudbury:

Sudbury is an area where the Militia should be maintained. Under the reorganization it has one infantry battalion and a technical squadron. These units are presently housed in a rented factory and a rented hall. Both buildings are reported to be in indifferent condition. A very strong case can be made for the construction of an armoury in this part of Central Ontario Area. It is expected that with the reorganization, two excellent units can function in Sudbury and proper facilities should be provided as high priority.

Eastern Quebec Area:

In the lower St. Lawrence region are a number of excellent units which have survived despite the inattention which has been given to accommodation in this area in the last 25 years. In the Lake St. John district an armoury is urgently needed in Jonquiere Area

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between Jonquiere and Arvida where units in both localities can be readily served because they are only three miles apart. Regiment du Saguenay, the unit in the area, is a strong unit in an expanding part of the Province of Quebec. The provision of adequate armoury facilities in accordance with the above proposal should be given highest priority.

Two companies of the Regiment du Chaudiere are presently located in leased property in Beauceville and St. George du Beauce. The Fusiliers du St Laurent has D Coy located in the leased Arena in Matane. None of these three buildings are satisfactory and a study should be undertaken to determine the best possible solution to the accommodation problem which is presently a severe handicap to these sub-units.

TRANSPORTATION

It has been stated elsewhere that sub-units located within reasonable distance of another unit or sub-unit should be encouraged to become part of that unit or sub-unit and continue in the Militia. As a matter of principle, every effort should be made either to retain the individual in his own Corps, or to facilitate the transfer to another Corps of every fit officer and militiaman who desires to continue service.

Page 34

Where reasonable public transportation is not available, transportation should be provided to carry militiamen to and from parades. School buses operated by communities might well be interested in additional revenue from this service in lieu of military transportation. The elimination of maintenance costs incurred by small sub-units would more than provide necessary funds to arrange transportation in these special cases.

Recommendation:

That where necessary and advantageous transportation should be provided to carry militiamen to and from parades.

CONTROL

The Commission hopes that the Militia as reorganized will be found to be a flexible organization which can be increased or decreased in size and cost as prevailing conditions require. The instrument of control will be found in the size of establishments of major and minor units rather than in the disbandment and organization of units. The requirement of allowing each community in the country to make its proportionate contribution makes the proposed system imperative. As reorganized, by controlling the size of establishments, the Militia can be expanded to meet almost any foreseen requirements or can be reduced to minimum requirements without hardship to any community.

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

BRITISH COLUMBIA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	24 Mil Gp HQ	VANCOUVER						Located in HQ BC Area Building
2	25 Mil Gp HQ	VICTORIA						Located in Bay St Armouries VICTORIA. See Serial 13
3	27 Mil Gp HQ	VERNON						Located at Camp VERNON. See Serial 7
4	BCR	VANCOUVER	Land 300.	Armoury (1912) 2 Misc Bldgs	358,000.	6,500.	12,390.	Armoury land donated. 2 Misc Bldgs on leased land
5	C Sqn	NANAIMO		8 Misc Bldgs (1942)	171,700.	5,111.	Nil	
6	BCD	KELOWNA		Former School (1932) Gp Hut	23,500. Plus land 2,800.	1,500.	3,620.	
7	HQ & A Sqn	VERNON	Land 125.	Armoury (1913) 3 Misc Bldgs	55,000.	6,300.	3,620.	Land donated
8	C Sqn	PENTICTION		Armoury	42,875.	1,350.	3,320.	Land and Building bought 1951
9	15 Fd Regt	VANCOUVER		Armoury (1932) and garage	175,000. Plus land 3,500.	6,550.	12,312.	
10	85 Fd Bty	LADNER		Hangar No 3	513,000.			Power and water contract includes all Buildings at Boundary Bay
11	24 Fd Regt	TRAIL		Armoury (1953)	362,243. Plus land 8,000.	4,100.	6,473.	
12	111 Fd Bty	NELSON	Land no cost	Armoury (1902)	9,000.	1,750.	3,620.	
13	5 Indep Med Bty	VICTORIA		Armoury (1914)	300,800.	22,300.	24,990.	Land donated
14	HQ 7 Fd Engr Regt	VANCOUVER						See Serial 41
15	6 Fd Sqn	NORTH VANCOUVER		Armoury (1913)	20,000.	4,300.	7,240.	Land donated
16	22 Fd Sqn	CHILLIWACK		Armoury (1912)	14,000. Plus land 600.	3,550.	3,620.	
17	44 Fd Sqn	TRAIL						See Serial 11
18	West Cst Sig Regt	VANCOUVER						See Serial 41
19	5 Area Sig Sqn	VICTORIA						See Serial 13
20	RM Rang	KAMLOOPS		Armoury (1902)	10,800.	3,400.	3,620.	

PRESENT MILITIA ORDER OF BATTLE BY AREAS

BRITISH COLUMBIA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	Mor Pl	MERRITT		Armoury (1914)	9,000. Plus land 1.	800.	2,853.	
22	A Coy	PRINCE GEORGE	Land 476.	Armoury (1943)	13,000.	4,000.	6,610.	
23	Pl B Coy	QUESNEL	900.	Legion Hall				
24	C Coy	SALMON ARM		Armoury (1952)	109,397. Plus land 1,800.	1,550.	3,170.	
25	Pl	ARMSTRONG		Armoury (1914)	14,000.	900.	2,853.	Land donated
26	D Coy	REVELSTOKE		Armoury (1902)	8,000.	1,050.	2,853.	Land donated
27	WESTMR R	NEW WESTMINSTER	Land no rent	2 Misc Bldgs Armoury (1895)	49,000.	5,900.	7,240.	
28	B Coy	MISSION		Armoury	2,200.	1,350.	3,620.	Land & Bldgs bought 1944
29	SEAFORTH OF C	VANCOUVER		Armoury (1935) & garage	418,000. Plus land 32,137.	9,325.		
30	C SCOT R	VICTORIA	See Serial 13					
31	A Coy	DUNCAN	1,200.	Agriculture Hall		1,600.	3,470.	
32	B Coy	NANAIMO	See Serial 5					
33	C Coy	COURTENAY		6 Misc Bldgs (1942)	157,000. Plus land 12,500.	6,400.	3,620.	
34	Pl	CAMPBELL RIVER	840.	Community Hall		Nil	Nil	
35	D Coy	FORT ALBERNI		3 Wartime Bldgs (1940)	119,000. Plus land 96.	8,700.	3,620.	
36	IR FUS OF C	VANCOUVER		2 Armoury & Garage	150,000.	6,700.	13,635.	Land & Bldgs bought 1942
37	C Coy	POWELL RIVER	1. 1.	Garage Hut No 1		650.	1,902.	
38	D Coy	PRINCE RUPERT		Officers Mess and Armoury (1937)	96,000. Plus land 2,000.	2,300.	3,620.	
39	152 Coy RCASC	ABBOTSFORD		3 Wartime Huts (1943)	45,000.	3,200.	3,320.	DOT Land
40	155 Coy RCASC	VICTORIA	See Serial 13					

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

BRITISH COLUMBIA AREA (Cont'd)

Appendix 1
to ANNEX A
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Reorganization of the Militia

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
41	156 Coy RCASC	VANCOUVER		8 Misc Bldgs (1938)	669,000.			Power and Water contracts cover all Bldgs
42	24 Med Coy	VANCOUVER	See Serial 36					
43	61 Dent Unit	VANCOUVER	See Serial 36					
44	8 Ord Bn	VANCOUVER	See Serial 41					
45	8 Tech Regt	VANCOUVER	See Serial 41					
46	40 Tech Sqn	VICTORIA	See Serial 13					
47	8 Pro Coy	VANCOUVER	See Serial 41					
48	4 Int Trg Coy	VANCOUVER	See Serial 36					
49	APIS	VICTORIA	See Serial 13					
50	111 MAN DEP	VANCOUVER	See Serial 41					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

ALBERTA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	22 MIL GP HQ	CALGARY	See Serial 10					
2	23 MIL GP HQ	EDMONTON	See Serial 21					
3	SALH	MEDICINE HAT	1,698.10	Armoury 6 Misc Bldgs Offrs Mess	18,884. 90,000.	5,500.	6,815.	Land donated, leased to city Former wartime hut
4	2 Tps C Sqn	BOW ISLAND	1,800.	Store		600.	1,189.	
5	19 D	EDMONTON		Armoury (1911)	120,000. Plus land 6,000.	2,650.	3,620.	
6	Tp	CAMROSE	1,200.	Agriculture Hall		9.		
7	Tp	FORT SASKATCHEWAN	1,200.	Legion Hall				
8	D Sqn	WETASKAWIN	Land 1.	2 Wartime Huts		4,800.	7,240.	
9	Tp	DEVON	1,200.	Legion Hall				
10	KO CALG R	CALGARY		2 Misc Bldgs & Armoury (1916)	317,000.	27,400.	32,402.	Land donated
11	A Sqn	GLEICHEN	600.	Masonic Hall		600.	1,535.	
12	Tp	STRATHMORE		Armoury (1953)	117,000. Plus land 1.	2,000.	2,715.	
13	C Sqn	RED DEER		Armoury (1941)	170,000. Plus land 9,500.	7,200.	11,098.	
14	Tp	OLDS		Armoury (1952)	114,000. Plus land 1.	3,300.	2,715.	
15	Tp	INNISFAIL		Armoury	10,000. Plus land 2,000.	1,400.	2,220.	
16	18 Fd Regt	LETHBRIDGE		4 Misc Bldgs	93,000.	5,900.	7,363.	D.O.T. Land
17	93 Fd Bty	FORT MACLEOD		3 Misc Bldgs (1942)	32,000.	10,600.	3,520	Building on airport site
18	19 Med Regt	CALGARY	See Serial 10					
19	23 Med Bty	BANFF	Free	Laundry		2,100.	3,620.	
20	78 Med Bty	RED DEER	See Serial 13					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

ALBERTA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	20 Med Regt	EDMONTON		1 Misc Bldg Armoury (1913)	795,000. Plus land 71,543.	3,150.	45,080.	
22	Tp	BEAUMONT	1,500.	Community Hall				
23	HQ 8 Fd Engr Regt	LETHBRIDGE		2 Misc Bldgs	73,000.	4,920.	3,520.	
24	25 Fd Sqn	EDMONTON	See Serial 21					
25	13 Fd Sqn	BROOKS		Armoury	15,000.	800.	1,981.	Bldg & Land bought 1961
26	Tp	CALGARY	See Serial 62					
27	Tp	BASSANO		Armoury	1,000.	1,420.	1,585.	Bldg & Land bought 1962
28	17 Fd Sqn	CRANBROOK KIMBERLEY		Armoury 100F Hall Garage	13,000.	3,100. 1,300.	3,520. 2,302.	Bldg & Land bought 1939
29	Tp	CRESTON	1,800.	Plywood Bldg		1,500.	1,500.	
30	33 Fd Sqn	LETHBRIDGE	See Serial 23					
31	7 Indep Sig Sqn	CALGARY	See Serial 10					
32	8 Indep Sig Sqn	EDMONTON	See Serial 21					
33	CALG HIGHRS	CALGARY	See Serial 10					
34	A Coy	VULCAN		Armoury (1949) garage	45,200. Plus land 1.	3,200.	3,520.	
35	C Coy	DRUMHELLER	3,600.	Memorial Hall		1,100.	6,040.	
36	D Coy	HANNA	900.	Memorial Hall				
37	Pl.	DELIA	500.	Legion Hall				
38	L EDMN R	EDMONTON	See Serial 21					
39	A Coy	VERMILLION	Land 1.	Armoury (1953)	70,000.	1,290.	3,620.	
40	Pl	VEGREVILLE		Armoury (1954)	139,950.	1,690.	3,620.	Land donated

PRESENT MILITIA ORDER OF BATTLE BY AREAS

ALBERTA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
41	D Coy	GRANDE PRAIRIE	Land 800.	2 Wartime Huts (1943)	77,000.	3,750.	6,790.	
42	MG P1	DAWSON CREEK		Bldg No 16 (1946)	20,000.	5,950.	1,245.	
43	A Tk P1	PEACE RIVER	1,020.	Arena				
44	E Coy	FT SMITH NWT	1,000.	Forestry Warehouse		400.	3,170.	Rental paid by N.A. & N.R.
45	YUKON R	WHITEHORSE YT		Drill Hall (1946)	20,430.	7,350.	1,245.	
46	HQ 7 Colm RCASC	CALGARY	See Serial 10					
47	150 Coy RCASC	CALGARY	See Serial 10					
48	151 Coy RCASC	RED DEER	See Serial 13					
49	153 Coy RCASC	HIGH RIVER		Garage	26,000.	1,180.	1,868.	Bldg & Land bought 1954
50	2 PLo	MEDICINE HAT	See Serial 3					
51	154 Coy RCASC	EDMONTON	See Serial 21					
52	ALTA Det of WEST COMD Advisory Staff	EDMONTON						
53	21 Med Coy	CALGARY	See Serial 10					
54	22 Med Coy	PONOKA		Armoury & garage	28,000.	1,650.	3,620.	Land donated
55	23 Med Coy	EDMONTON	See Serial 10					
56	ALTA Det of WEST COMD Dent Advisory Staff	CALGARY						
57	59 Dent Unit	CALGARY	See Serial 10					
58	60 Dent Unit	EDMONTON	See Serial 21					
59	6 Ord Coy	CALGARY	See Serial 10					
60	7 Ord Bn	EDMONTON	See Serial 21					
61	38 Tech Sqn	EDMONTON		Armoury	254,000.	4,900.	6,790.	Land & Bldg bought 1955
62	A Sqn 9 Tech Regt	CALGARY		Armoury (1960)	500,000. Plus land 93,500.	5,500.	6,800.	

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

ALBERTA AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
63	31 Tech Sqn	BLAIREMORE	1,500.	Cafe (1942) Armoury & garage	14,500. Plus land 3,300.	1,700.	3,620.	
64	32 Tech Sqn	LETHBRIDGE	See Serial 16					
65	14 Pro Coy	CALGARY	See Serial 10					
66	15 Pro Coy	EDMONTON	See Serial 21					
67	6 Int Trg Coy	EDMONTON	See Serial 21					
68	WESTERN COMMAND Ch Unit	EDMONTON	See Serial 21					
69	WESTERN COMMAND PSU	EDMONTON	See Serial 21					
70	116 MAN DEP	CALGARY	See Serial 10					
71	116 MAN DEP	EDMONTON	See Serial 21					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

SASK, AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	20 MIL GP HQ	REGINA	See Serial 11					
2	21 MIL GP HQ	SASKATOON	See Serial 26					
3	SASK D	MOOSE JAW		Armoury (1913)	105,974.	12,200.	7,122.	Land donated
4	14 H	SWIFT CURRENT		Armoury (1955)	302,396. Plus land 1,000.	4,675.	7,040.	
5	B Sqn	MAPLE CREEK		Armoury (1913)	28,041.	2,510.	4,965.	Land donated.
6	C Sqn	SHAUNAVON	1,080.	Legion Hall				
7	53 Fd Regt	Yorkton		Armoury (1938)	28,500.	2,690.	6,840.	
8	B Tp 64 Fd Bty	KAMSACK		Armoury (1953)	28,500. Plus land 601.	895.	768.	
9	162 Fd Bty	MELVILLE	2,700.	Store & garage		451.		
10	B Tp 202 Fd Bty	CANORA	1,200.	Legion Hall				
11	10 Fd Regt	REGINA		Armoury (1928) garage	350,000.	13,418.	31,751.	Land donated
12	65 Fd Bty	GRENFELL		Armoury (1953)	118,900. Plus land 1,000.	1,850.	3,270.	
13	76 Fd Bty	INDIAN HEAD		Armoury (1913)	14,913.	1,035.	1,535.	Land donated
14	K Tp 76 Fd Bty	MOOSOMIN		Armoury (1913)	13,155.	Leased to per yr. 600.	Town for 1. DND rents for	Land donated
15	21 Indep Med Bty	SASKATOON	See Serial 26					
16	44 Indep Med Bty	PRINCE ALBERT		Armoury (1914)	105,000.	12,675.	6,811.	Land donated
17	14 Fd Sqn	REGINA	See Serial 11					
18	2 Indep Sig Sqn	REGINA	See Serial 11					
19	Op Tp	SASKATOON	See Serial 26					
20	REGINA RIF	REGINA	See Serial 11					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

SASK AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	B Coy	FT QU'APPELLE	990.	Community Hall				
22	1 N SASK R	PRINCE ALBERT	See Serial 16					
23	A Coy	NORTH BATTLEFORD		Armoury (1914) & garage	30,000.	6,450.	3,158.	Land donated
24	B Coy	MELFORT	2,400. Free	Agriculture Hall Post Office				
25	C Coy	LLOYDMINSTER		Stable (1908)	1,500.	1,685.	768.	
26	2 N SASK R	SASKATOON		Armoury (1960)	462,626.	6,600.	9.315.	
27	C Coy	ROSETOWN	120. 1,440.	Garage Legion Hall				
28	D Coy	KINDERSLEY	1,440.	Community Hall				
29	S SASK R	ESTEVAN	180.	Garage 4 Misc Bldgs (1942)	3,300.	2,700.	5,500.	DOT Land
30	A Coy	WEYBURN	109. 2,400.	Garage Legion Hall			768.	
31	142 Coy RCASC	REGINA	See Serial 11					
32	Tpt Pl	MOOSE JAW	See Serial 3					
33	19 Med Coy	REGINA	See Serial 11					
34	2 Pls	MOOSE JAW	See Serial 3					
35	20 Med Coy	SASKATOON	See Serial 26					
36	SASK AREA Det of WESTERN COMMAND Med Advisory Staff	SASKATOON	See Serial 26					
37	58 Dent Unit	REGINA	See Serial 11					
38	5 Ord Coy	REGINA	See Serial 11					
39	37 Tech Sqn	SASKATOON	See Serial 26					
40	Rec Tp	RADISSON	420.	Community Hall				
41	109 MAN DEP	REGINA	See Serial 11					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

MANITOBA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	19 MIL GP HQ	WINNIPEG		2 Misc Bldgs				
2	FGH	WINNIPEG	See Serial 9					
3	12 D	VIRDEN		Armoury	14,450. Plus land 6,000.	2,300.	3,620.	
4	A Sqn	MINNEDOSA		Armoury (1912) garage	24,500.	2,000.	2,377.	
5	C Sqn	NEEPAWA		Drill Hall (1942)	112,410.	4,000.	8,376.	
6	26 Fd Regt (SP)	BRANDON		Armoury (1906)	76,452. Plus land 3,900.	4,500.	13,563.	
7	38 Fd Bty	PORTAGE LA PRAIRIE		Indoor Range (1911) Armoury (1942)	78,233. 35,178. Plus land 6,500.	4,500.	7,519.	
8	70 Fd Bty	DAUPHIN		Drill Hall (1941)	132,792.	4,100.	8,510.	
9	39 Fd Reg (SP)	WINNIPEG		Armoury (1914) garage	519,592. Plus land 125,000.	29,500.	57,219.	
10	D Tp 17 Fd Bty	EMERSON	2,700.	Town Hall				
11	6 Fd Engr Regt	WINNIPEG	See Serial 9	(Trg area for Wpg Engr units is based at Pinawa Dam for 500. per year)				
12	12 Fd Sqn	WINNIPEG	See Serial 9					
13	21 Fd Sqn	FLIN FLON		Quonset Hut (1956)	197,159.	4,500.	3,170.	
14	46 Fd Sqn	PINE FALLS	Land 275.	Quonset Hut (1954)	56,375.	2,600.	2,377.	
15	10 Indep Sig Sqn	WINNIPEG	See Serial 9					
16	R WPG RIF	WINNIPEG	See Serial 9					
17	WPG GREN	WINNIPEG	See Serial 9					
18	CAMERONS OF C	WINNIPEG	See Serial					
19	HQ 6 Colm RCASC	WINNIPEG		Armoury (1915) garage	153,000. Plus land 18,897.	22,000.	21,794.	
20	140 Coy RCASC	WINNIPEG	See Serial 19					

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

MANITOBA AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	141 Coy RCASC	BRANDON	See Serial 6					
22	143 Coy RCASC	WINNIPEG	See Serial 19					
23	MAN AREA DET of WESTERN COMMAND Med Advisory Staff	WINNIPEG	See Serial 9					
24	18 Med Coy	WINNIPEG	See Serial 9					
25	MAN AREA Det of WESTERN COMMAND Dent Advisory Staff	WINNIPEG	See Serial 9					
26	57 Dent Unit	WINNIPEG	See Serial 9					
27	6 Ord Bn	WINNIPEG	See Serial 9					
28	7 Tech Regt	WINNIPEG	See Serial 9					
29	13 Pro Coy	WINNIPEG	See Serial 19					
30	5 Int Trg Coy	WINNIPEG	See Serial 19					
31	108 MAN DEP	WINNIPEG	See Serial 9					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

WEST ONT AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	18 MIL GP HQ	LONDON	See Serial 17					
2	26 MIL GP HQ	WINDSOR	See Serial 40					
3	1 H	LONDON		Armoury (1905)	199,325. Plus land 26,250.	8,450.	14,200.	
4	WINDSOR R	WINDSOR		Armoury (1907)	60,077.	6,900.	15,237.	
5	ELGIN R	ST THOMAS		Armoury (1903)	39,818. Plus land 6,000.	2,000.	4,571.	
6	7 Fd Regt	SARNIA	DPW	Federal Bldg Officers Mess	29,000.	2,000.	3,620.	Owned by DPW purchased 1909
7	12 Fd Bty	LONDON	See serial 3					
8	48 Fd Bty	WATFORD		Armoury (1913)	11,400. Plus land 900.	1,400.	1,902.	
9	11 Fd Regt	GUELPH		Armoury (1910)	145,000.	5,000.	12,745.	
10	1 16 Fd Bty	FERGUS	1,200.	Fair Bldg		710.		
11	21 Fd Regt	WINGHAM	240.	Fire Hall Armoury (1913)	11,168.	2,229.	1,902.	Land donated
12	97 Fd Bty	WALKERTON		Armoury (1908)	22,158. Plus land 125.	1,350.	1,902.	
13	100 Fd Bty	LISTOWEL		Armoury (1915)	18,630.	3,000.	3,620.	Land donated
14	56 Fd Regt	BRANTFORD		Garage Armoury (1906)	15,500. 39,983. Plus land 21,381.	4,147.	10,860.	
15	69 Fd Bty	SIMCOE		Armoury (1914)	29,950. Plus land 6,400.	2,832.	4,571.	
16	169 Fd Bty	PARIS		Armoury	4,000.	2,600.	1,902.	Purchased 1910
17	11 Fd Engr Regt	LONDON		9 Misc Bldg (1940)	114,000.			
18	7 Fd Sqn	LONDON	See serial 17					
19	11 Fd Sqn	SARNIA	See serial 6					
20	48 Fd Sqn	KITCHENER		4 Wartime bldgs (1942)	80,000. Plus land 11,062.	6,000.	9,732.	

PRESENT MILITIA ORDER OF BATTLE BY AREAS

SASK. AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	9 Sig Regt	LONDON	See serial 17					
22	3 RCR	LONDON	See serial 3					
23	A & B Coys	WOODSTOCK		Armoury (1906)	75,000. Plus land 6, 000.	2,850.	7,240.	
24	1 Pl	INGERSOL	DPW no rent	Federal Bldg				Owned by DPW
25	PERTH R	STRATFORD		Armoury (1908)	75,675. Plus land 8,100.	6,200.	5,522.	
26	Sp Coy	ST MARY'S		Former Post Office (1906)	33,344. Plus land 2,300.	1,000.	1,902.	
27	HLI OF C	GALT		Armoury (1914)	61,246.	3,000.	3,620.	Land donated
28	1 E & K SCOT	WINDSOR	See serial 4					
29	D Coy	LEMINGTON	300.00	Dance Hall				
30	2 E &K SCOT	CHATHAM		Armoury (1905)	66,789.	4,000.	7,240.	Purchased 1907
31	D Coy	WALLACEBURG		Armoury	35,000.	1,500.	2,790.	
32	SF OF C	KITCHENER	22,338.	Office Bldg	65,000.	2,800.	3,620.	
33	4 Colm RCASC	LONDON		Armoury & garage		5,480.	3,170.	
34	137 Coy RCASC	KITCHENER	See serial 20					
35	12 Med Coy	KITCHENER	See serial 32					
36	15 Med Coy	LONDON	See serial 17					
37	WEST ONT AREA DET of CENTRAL COMMAND Med Advisory Staff	LONDON	See serial 17					
38	55 Dent Unit	LONDON	See serial 17					
39	5 Ord Bn	LONDON	See serial 17					
40	39 Tech Sqn	WINDSOR	12,800.	Factory		666.	3,620.	
41	6 Pro Coy	LONDON	See serial 33					
42	C, D & G Secs	GUELPH	See serial 9					
43	107 MAN DEP	LONDON	See serial 17					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

CENT ONT AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	14 MIL GP HQ	TORONTO	See Serial 24					
2	15 MIL GP HQ	TORONTO	See Serial 24					
3	16 MIL GP HQ	TORONTO	See Serial 24					
4	17 MIL GP HQ	DUNDAS	See Serial 23					
5	GGHG	TORONTO		Armoury (1961)	898,294.	13,500.	24,454.	
6	GREY & SIM FOR	OWEN SOUND		Armoury (1952)	325,277. Plus land 1.	4,000.	6,290.	
7	Tp	DURHAM		Armoury (1909)	20,500. Plus land 250.	800.	3,620.	
8	Tp	COLLINGWOOD	2,100.	Factory				
9	B Sqn	BARRIE		Armoury (1914)	54,000. Plus land 1.	5,000.	7,360.	
10	C Sqn	MIDLAND		Armoury (1953)	255,107. Plus land 5,324.	2,900.	6,473.	
11	Tp	ORILLIA		Armoury (1914)	24,000. Plus land 1.	2,350.	3,620.	
12	ONT R	OSHAWA	1. for land	3 Misc Bldgs (1941) Armoury (1914)	13,000. 35,066. Plus land 3,500.	1,350. 4,300.	3,980. 6,790.	
13	QY RANG	FT YORK TORONTO	Land 1.	Armoury (1934)	368,334.	32,000.	41,372.	
14	B Sqn	NEWMARKET	22,500.	Old York Manor				
15	C Sqn	AURORA		Armoury (1874)	9,000.	2,300.	2,853.	Land donated
16	ALQ R	NORTH BAY		7 Misc Bldgs (1942)	42,000. Plus land 62,960.	13,900.	16,960.	
17	A Sqn	KAPUSKASING	DOT no rent	H Hut		2,650.	2,853.	Owned by DOT
18	B Sqn	VIRGINIATOWN	1,500.	Commuhity Hall				
19	Tp	KIRKLAND LAKE	DRW	Post Office		178.		
20	C Sqn	HAILEYBURY		Former Arena (1913)	82,000.	3,000.	3,170.	Land donated

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

CENT ONT AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	D Sqn	TIMMINS		Hockey Arena	35,000.	5,200.	3,170.	Purchases 1952
22	8 Fd Regt	HAMILTON		Armoury (1904) & Annex	572,000. Plus land 46,999.	20,000.	44,542.	
23	102 Fd Bty	DUNDAS		Armoury (1935)	41,290.	3,100.	6,910.	Land donated
24	29 Fd Regt (SP)	TORONTO	135,000.	Bradshaw Bldg		12,000.	25,440.	Shared with CA(R)
25	44 Fd Regt	ST CATHARINES		Armoury (1905)	105,109. Plus land 1,200.	5,000.	10,230.	
26	49 Fd Regt	SAULT STE MARIE		Armoury (1952)	1,189,505.	16,000.	40,770.	Land donated
27	57 Fd Regt	WELLAND	Land 1.	Former Commissary (1947)	54,140.	5,300.	6,790.	
28	171 Fd Bty	FORT ERIE	13,420.	Factory			3,620.	
29	172 Fd Bty	NIAGARA FALLS		Armoury (1910)	44,000. Plus land 2,700.	4,350.	6,910.	
30	58 Fd Regt	SUDBURY	5,400.	Hall		650.	3,620.	
31	40 Med Regt	KENORA	1.	School Former Prov Jail	63,000. (1920)	2,300.	3,620.	
32	118 Med Bty	PORT ARTHUR		Armoury (1914) Garage	150,057. Plus land 19,000.	16,000.	14,720.	
33	121 Med Bty	FORT FRANCIS		Armoury (1950)	23,000. Plus land 3,500.	800.	1,427.	
34	42 Med Regt	TORONTO		Groceteria	335,000.	10,000.	18,080.	Purchased 1949
35	1 Loc Regt	TORONTO	See Serial 34					
36	TORONTO Arty Mil Band	TORONTO	See Serial 34					
37	2 Fd Engr Regt	TORONTO	See Serial 13					
38	8 Fd Sqn	NORTH BAY	See Serial 16					
39	18 Fd Sqn	HAMILTON	See Serial 22					
40	2 Sig Regt	TORONTO		Armoury	231,000.	6,300.	21,810.	Purchased 1918

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
41	2 Sig Sqn	LAKEVIEW PORT CREDIT	10,000.	Cdn Arsenals Bldg		2,133.	3,620.	
42	8 Sig Regt	TORONTO	See Serial 40					
43	1 Indep Sig Sqn	HAMILTON	See Serial 22					
44	3 QOR OF C	TORONTO	See Serial 24					
45	R REGT C	TORONTO	See Serial 13					
46	RHLI	HAMILTON	See Serial 22					
47	A Coy	ANCASTER	1,200.	Valley Hall				
48	B Coy	WATERDOWN	1,500.	Community Hall				
49	LINC & WELLD R	ST CATHARINES	See Serial 25					
50	A Coy	NIAGARA-ON-THE-LAKE		Bldg No 3 (1760)	20,500.			
51	B Coy	WELLAND	See Serial 27					
52	C Coy	FORT ERIE	See Serial 28					
53	D Coy	NIAGARA FALLS	See Serial 29					
54	LORNE SCOTS	BRAMPTON		Armoury (1915) & Annex	21,365. Plus land 6,000.	2,200.	3,620.	
55	A Coy	(Long Branch) PORT CREDIT	See Serial 41					
56	B Coy	OAKVILLE		Armoury & garage	35,000.	1,600.	1,902.	Purchased 1949
57	C Coy	GEORGETOWN		Armoury (1890)	22,000.	2,000.	1,902.	
58	P1	MILTON		Former Church	670.	850.	1,902.	Purchased 1892
59	D Coy	ORANGEVILLE		Former Church	11,000.	1,800.	3,620.	Purchased 1952
60	48 HIGHRS	TORONTO	See Serial 13					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

CENT ONT AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
61	A & SH OF C	HAMILTON	See Serial 22					
62	D Coy	GRIMSBY	11,460.	Office & Warehouse		198.		
63	LAKE SUP SCOT R	PORT ARTHUR	See Serial 32					
64	A Coy	FORT WILLIAM	800.	Lodge Hall				
65	C Coy	ATIKOKAN	DPW no rent	Federal Bldg				
66	D Coy	TERRACE BAY	Lease terminated Oct 63					
67	TOR SCOT R	TORONTO	See Serial 13					
68	1R RC	TORONTO	See Serial 13					
69	5 Colm RCASC	TORONTO	See Serial 5					
70	P1	OWEN SOUND	See Serial 6					
71	133 Coy RCASC	HAMILTON	29,860.40	Factory		6,500.	22,150.	
72	138 Coy RCASC	PORT ARTHUR	See Serial 32					
73	CENTRAL ONT Det of CENTRAL COMMAND Med Advisory Staff	OAKVILLE	See Serial 56					
74	13 Med Coy	OWEN SOUND	See Serial 6					
75	16 Med Coy	HAMILTON	See Serial 22					
76	17 Med Coy	PORT ARTHUR	See Serial 32					
77	26 Med Coy	TORONTO	See Serial 24					
78	CENTRAL AREA Det of CENTRAL COMMAND Dent Advisory Staff	OAKVILLE	See Serial 56					
79	56 Dent Unit	TORONTO	See Serial 24					
80	4 Ord Bn	TORONTO	See Serial 24					
81	4 Ord Coy	HAMILTON	See Serial 71					
82	4 Tech Regt	TORONTO	See Serial 34					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

CENT ONT AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
83	5 Tech Regt	HAMILTON	See Serial 71					
84	30 Tech Sqn	ST CATHARINES		Warehouse	80,000.	800.	7,360.	Purchased 1952
85	33 Tech Sqn	SUDBURY	5,500.	Factory		2,600.	3,470.	
86	2 Tps	ESPANOLA	600.	Community Hall				
87	34 Tech Sqn	SAULT STE MARIE	See Serial 26					
88	35 Tech Sqn	PORT ARTHUR	See Serial 32					
89	2 Pro Coy	TORONTO	See Serial 24					
90	G & H Secs	CAMP BORDEN		C Pro C School				Shared with CA(R)
91	2 Int Trg Coy	TORONTO	See Serial 24					
92	CENTRAL COMMAND Ch Unit	TORONTO	No accn required					
93	CENTRAL COMMAND PSU	TORONTO	See Serial 24					
94	106 MAN DEP	TORONTO	See Serial 24					
95	115 MAN DEP	PORT ARTHUR	See Serial 32					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

EAST ONT AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	12 MIL GP HQ	OTTAWA	Nil	Office Bldg	(Rent paid by DPW to Crain)			
2	13 MIL GP HQ	PETERBOROUGH	See Serial 11					
3	4 PLDG	OTTAWA	15,000.	Office Bldg		4,500.	11,840.	
4	C Sqn	PRESCOTT	4,800.	High School		300.	2,762.	
5	D Sqn	SMITH'S FALLS		Former Factory	28,000.	3,050.	2,762.	Purchased 1950
6	3 Indep Med Bty	GANANOQUE		Armoury (1913)	14,580. Plus land 2,500.	2,400.	3,520.	
7	33 Med Regt	COBOURG		Armoury (1905)	57,526. Plus land 7,050.	7,750.	3,620.	
8	47 Med Bty	NAPANEE		Armoury (1915)	48,151. Plus land 101.	9,550.	3,620.	
9	30 Fd Regt	OTTAWA	9,720.	Parish Hall		1,530.	3,520.	
10	Tp	KEMPTVILLE		Armoury (1914)	11,800.	2,030.	2,762.	Land donated
11	50 Fd Regt	PETERBOROUGH		Armoury (1909)	169,000. Plus land 10,000.	12,700.	12,280.	
12	45 Fd Bty	LINDSAY		Armoury (1914)	35,000. Plus land 2,100.	5,700.	3,620.	
13	3 Fd Sqn	OTTAWA		Quonset Hut (1952)	44,200.	3,150.		
14	55 Fd Sqn	KINGSTON	See Serial 17					
15	3 Sig Regt	OTTAWA		Former School	115,000.	6,100.	12,198.	Purchased 1951
16	GGFG	OTTAWA		Armoury (1879)	30,608.	9,600.	22,580.	
17	PWOR	KINGSTON		Militia Trg Bldg Armoury (1871)	792,000.	13,850.	12,745.	
18	HAST & PER	BELLEVILLE		Armoury (1909)	135,511. Plus land 19,000.	10,000.	7,090.	
19	A Coy	TRENTON		"H" Hut (1946)	15,000. Plus land 2.	2,235.	1,387.	
20	B Coy	MADOC		Armoury (1914)	16,800. Plus land 475.	4,450.	3,620.	

PRESENT MILITIA ORDER OF BATTLE BY AREAS

EAST ONT AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	5 Pl	NORWOOD		Armoury (1913)	8,500.	700.	793.	Garage at Campbellford rented for 60. per yr for Norwood pers.
22	C Coy	PORT HOPE	Land 1.	"H" Hut (1947)	18,000.	2,500.	2,790.	
23	7 Pl	MILLBROOK		Armoury (1914)	11,431. Plus land 501.	2,300.	793.	
24	D Coy	PICTON		Armoury (1914)	64,470. Plus land 1,503.	10,400.	5,998.	
25	BROCK RIF	BROCKVILLE		Armoury (1902)	59,898.	5,000.	9,232.	Land donated
26	L&R SCOT R	PEMBROKE		Armoury (1914)	43,202. Plus land 451.	6,000.	6,132.	
27	A Coy	RENFREW		Armoury (1914)	34,913. Plus land 2.	5,300.	6,282.	
28	C Coy	CARLETON PLACE		Armoury (1952)	92,389. Plus land 1.	2,400.	2,762.	
29	D Coy	PERTH		Armoury	6,231.	2,000.	2,762.	Purchased 1935
30	SD&G HIGHRS	CORNWALL		Armoury (1938)	235,000. Plus land 8,000.	6,300.	11,637.	
31	D Coy	ALEXANDRIA		Armoury	17,500.	3,140.	2,762.	Land donated
32	CH OF O	OTTAWA	See Serial 16					
33	130 Coy RCASC	OTTAWA		Admin Bldg	203,000.	17,000.	26,675.	Purchased 1943
34	D Pl	KINGSTON	See Serial 17					
35	EAST ONT AREA of CENTRAL COMMAND Med Advisory Staff	PETERBOROUGH	No accn allocated					
36	9 Med Coy	CORNWALL	See Serial 30					
37	10 Med Coy	OTTAWA	See Serial 33					
38	11 Med Coy	KINGSTON	See Serial 17					
39	EAST ONT AREA of CENTRAL COMMAND Dent Advisory Staff	OTTAWA	See Serial 1					

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EAST ONT AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
40	54 Dent Unit	OTTAWA	See Serial 33					
41	3 Ord Coy	OTTAWA	See Serial 33					
42	28 Tech Sqn	PETERBOROUGH	See Serial 11					
43	113 MAN DEP	OTTAWA	See Serial 33					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

QUEBEC COMMAND

(LESS EAST QUE AREA)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	9 MIL GP HQ	SHERBROOKE		Factory	75,000.	4,328.	7,080.	Purchased 1951
2	10 MIL GP HQ	MONTREAL		Hospital	Exchange	9,715.	11,207.	Exchange of property in 1948
3	11 MIL GP HQ	THREE RIVERS		Convent	285,000.	4,710.	14,160.	Purchased 1952
4	SHER R	SHERBROOKE		Court House	10,000.	19,022.	11,582.	Purchased 1912
5	7/11H	RICHMOND	1,440.	Storage		390.	464.	
6	A Sqn	ASBESTOS	4,200.	Garage		2,290.	1,485.	
7	A Sqn	DANVILLE	600.	Town Hall		240.		
8	B Sqn	WINDSOR MILLS	1,980.	Armoury		1,975.	2,640.	
9	C Sqn	BURY	7,200	Garage Armoury	11,750. Plus land 500.	2,895.	3,420.	Garage at Sawyerville rented 120. per yr for this sqn
10	TRR	THREE RIVERS		Armoury (1907)	63,687.	9,035.	10,602.	Land donated
11	RHC	MONTREAL		Armoury (1934)	217,229. Plus land 1.	18,690.	13,292.	
12	A Sqn	ST. JEAN	See Serial 35					
13	B Sqn	LONGUEUIL		Drill Hall (1940)	40,000.	9,070.		Owned by N.A & N.R.
14	R DE HULL	HULL		Drill Hall (1938)	234,800. Plus land 10,000.	13,400.	16,120.	
15	27 Fd Regt	COWANSVILLE	2,100.	Armoury Former Church	6,800.	1,330. 1,630.	10,650.	Purchased 1929
16	24 Fd Bty	GRANBY	3,000.	Drill Hall		4,090.	3,420.	
17	35 Fd Bty	FARNHAM		Drill Hall	248,457.	20,745.	10,080.	
18	34 Fd Regt	MONTREAL	1. land	Armoury (1883)	250,116	20,620.	13,062.	Land leased from city
19	37 Fd Regt	MONTREAL	See Serial 18					
20	131 Fd Bty	LACHUTE	1,200. 1,620.	Town Hall Factory Bldg		1,415.	1,115.	

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

QUEBEC COMMAND (Continued)

(LESS EAST QUE AREA)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	46 Fd Regt	DRUMMONDVILLE		Armoury (1953)	307,811. Plus land 11,500.	5,310.	5,647.	
22	72 Fd Bty	COATICOOK		Armoury (1915)	33,407.	2,750.	5,780.	Land donated
23	73 Fd Bty	VICTORIAVILLE	1.	Hangar		8,020.	8,077.	
24	62 Fd Regt	SHAWINIGAN		Armoury (1952)	322,197. Plus land 25,000.	6,342.	5,647.	
25	2 Med Regt	MONTREAL	See Serial 18					
26	3 Loc Bty	MONTREAL	See Serial 18					
27	3 Fd Engr Regt	WESTMOUNT		Armoury	140,000.	9,072.	14,168.	Purchased 1921
28	9 Fd Sqn	NORANDA	Land 2. 300.	Former Church Recreation Center	42,500.	3,335.	7,627.	
29	11 Sig Regt	WESTMOUNT	See Serial 27					
30	15 Indep Sig Sqn	THREE RIVERS	See Serial 3					
31	CGG	MONTREAL		Armoury (1913)	144,726.	14,140.	13,480.	Land donated
32	VRC	MONTREAL	240.	Garage Armoury	198,676.	9,935.	6,840.	Purchased 1943
33	3 RHC	MONTREAL		Armoury (1923)	58,430.	20,450.	11,607.	
34	4 R22eR	MONTREAL		Armoury	190,000.	6,495.	6,840.	Purchased 1932
35	A Coy	ST JEAN		Armoury		R.C.A.F.	1,485.	Bldg on RCAF Land
36	D Coy	VALLEYFIELD	5,500.	Commerical Bldg		3,255.	2,970.	
37	6 R22eR	ST HYACINTHE		Armoury (1906)	73,139 . Plus land 7,500.	6,635.	10,167.	
38	A Coy	ACTON VALE	1,500.	Recreation Hall				
39	D Coy	TRACY	4,998.	Dormitory		4,215.	2,227.	
40	FUS MR	MONTREAL	180.	Garage Armoury	50,000.	15,800.	11,507.	Purchased 1911

PRESENT MILITIA ORDER OF BATTLE BY AREAS
QUEBEC COMMAND (Continued)
(LESS EAST QUE AREA)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
41	R DE JOL	JOLIETTE	6,000.	Warehouse Drill Hall (1912)	16,858. Plus land 400.	700. 4,680.	2,227. 2,227.	
42	B Coy	ST PAUL L'ERMITE	2,400. 2.	Hostel Garage		1,135.	1,485.	
43	C Coy	L'EPIPHANIE	6,300.	Community Centre				
44	D Coy	ST JEROME		2 Misc Bldgs & Armoury (1942)	47,178. Plus land 5,725.	8,940.	5,780.	
45	R DE MAIS	MONTREAL	See Serial 18					
46	A & B Coy	MONTREAL NORTH		Parish Hall	75,000.	5,725.	5,780.	Purchased 1951
47	FUS DE SHER	SHERBROOKE		Armoury (1908)	99,594. Plus land 5,000.	18,540	11,630.	
48	D Coy	MAGOG	3,900.	Office Bldg		1,315.	743.	
49	RMR	MONTREAL	1. for land	Armoury (1925)	170,436.	9,615.	11,670.	Land leased from Westmount
50	D Coy	STE ANNE DE BELLEVUE	4,800.	Drill Hall		660.	1,114.	
51	3 Colm RCASC	MONTREAL		Factory	450,000.	28,685.	12,063.	Purchased 1949
52	1 Med Bn	MONTREAL	DPW	Armoury				
53	8 Med Coy	SHERBROOKE	See Serial 1					
54	53 Dent Unit	MONTREAL	See Serial 52					
55	QUEBEC COMMAND DENT Advisory Staff	MONTREAL	See Serial 52					
56	3 Ord Bn	MONTREAL	See Serial 51					
57	B Coy	STE THERESE (Bouchard)		Bldg No 4	N/A	N/A	N/A	Shared with CA(R)
58	2 Tech Regt	MONTREAL		Factory	158,363.	9,705.	4,905.	Purchased 1948
59	22 Tech Sqn	CAP DE LA MADELEINE		Tank Hangar (1957)	149,849. Plus land 15,341.	6,690.	5,780.	
60	24 Tech Sqn	SHERBROOKE	See Serial 1					

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PRESENT MILITIA ORDER OF BATTLE BY AREAS
QUEBEC COMMAND (Cont'd)
(LESS EAST QUE AREA)

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			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
61	QUEBEC COMMAND Ch Unit	MONTREAL	No accn required					
62	3 Pro Coy	MONTREAL	See Serial 51					
63	101 Pro Pl	DRUMMONDVILLE	See Serial 21					
64	102 Pro Pl	THREE RIVERS	See Serial 3					
65	1 Int Trg Coy	MONTREAL		Drill Hall	30,000.	13,670.	6,840.	
66	QUEBEC COMMAND PSU	MONTREAL	See Serial 65					
67	104 MAN DEP	MONTREAL	See Serial 65					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

EAST QUE AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	6 Fd Regt	QUEBEC		Armoury (1894)	500,000.	26,005.	30,200.	
2	59 Fd Bty	LEVIS		Armoury	68,500.	9,480.	9,127.	Purchased 1957
3	80 Fd Bty	NEW RICHMOND		2 Misc Bldgs	17,000.	2,175.	2,227.	Purchased 1950
4	82 Fd Bty	GASPE		Garage & Barn (1930)	17,600. Plus land 1,000.	1,915.	1,485.	
5	187 Fd Bty	ARVIDA	1800. 800.	Dormitory Legion Hall		4,555.	3,620.	Indoor range rented from city for 960.00 per year.
6	57 Loc Bty	QUEBEC	See serial 1					
7	10 Fd Sqn	QUEBEC		4 Misc Bldgs	296,000.	26,555.	25.555.	
8	15 Fd Sqn	THETFORD MINES	900.	Garage Post Office (1903)	31,000. Plus land 1,800.	3,060.	3,420.	
9	3 Indep Sig Sqn	QUEBEC	See serial 1					
10	RRC	QUEBEC	See serial 1					
11	VOLTIGEURS	QUEBEC	See serial 1					
12	R DU SAG	CHICOUTIMI		4 Misc Bldgs	136,000.	5,085.	5,647.	Purchased 1948
13	B Coy	PORT ALFRED	5,700.	Recreation Centre		45.	1,114.	
14	C Coy	JONQUIERE	1,320.	Garage		850.	1,485.	
15	R DE CHAUD	LEVIS	See serial 2					
16	A Coy	BEAUCEVILLE	4,200.	Recreation Hall		1,785.	1,114.	
17	Pl	ST JOSEPH DE BEAUCE	960.	School				
18	B Coy	LAC MEGANTIC		5 Misc Bldgs (1941)	26,000. Plus land 4,400.	4,880.	3,420.	
19	D Coy	ST GEORGES DE BEAUCE	3,900.	Garage		365.	2,227.	
20	FUS DU ST-L	RIMOUSKI		Armoury (1910)	9,000. Plus land 800.	3,090.	3,420.	

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

EAST QUE AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	FUS DU ST-L (Cont'd) A Coy	RIVIERE DU LOUP		Armoury (1910)	34,135. Plus land 4,107.	1,965.	3,420.	
22	Pl	CABANO		2 G.P. Huts (1963)	32,850. Plus land 2,550.	195.		
23	B Coy	MONTMAGNY		Old Post Office (1915)	17,000.	2,950.	3,420.	
24	C Coy	MONT JOLY	DPW	Old Post Office		1,440.	1,485.	
25	FUS DU ST-L D Coy	MATANE	7,124.	Arena		530.	1,856.	
26	2 Colm RCASC	QUEBEC	See serial 7					
27	A Coy 2 Ord Bn	BEAUPORT		Armoury (1914)	29,990.	4,995.	3,420.	Land donated
28	25 Tech Sqn	ARVIDA	See serial 5					
29	42 Tech Sqn	QUEBEC	See serial 7					
30	4 Pro Coy	BEAUPORT	See serial 27					
31	7 Med Coy	STE FOY	10,560.	Science Bldg		50.	3,420.	
32	7 MIL GP HQ	STE FOY	See serial 31					
33	8 MIL GP HQ	LEVIS	See serial 1					
34	103 MAN DEP	QUEBEC	See serial 7					

PRESENT MILITIA ORDER OF BATTLE BY AREAS

NB AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	8 CH (M)	SUSSEX		7 Misc Bldgs (1941)	129,000. Plus land 10,000.	20,675.	31,140.	
2	HQ Sqn	HAMPTON	120. 1200. 180.	Masonic Hall Legion Hall Garage		220.		
3	A Sqn	PETITCODIAC	120. 700. 180.	Garage Community Hall Memorial Hall				
4	G Sqn	SACKVILLE	180.	Garage Garage	28,500.	1,960.	3,420.	Purchased 1927
5	3 Fd Regt	SAINT JOHN		Misc Bldgs (1911)	308,000. Plus land 22,944.	22,150.	58,170.	
6	12 Fd Regt	FREDERICTON		Armoury (1871)	50,000.	8,980.	6,430.	
7	89 Fd Bty	WOODSTOCK		Armoury (1909)	54,257. Plus land 10,386.	3,878.	6,090.	
8	1 Fd Sqn	SAINT JOHN	See serial 5					
9	4 Indep Sig Sqn	MONCTON		11 Misc Bldgs (1941)	264,000. Plus land 6,000.	33,758.	43,760.	
10	5 Indep Sig Sqn	SAINT JOHN	See serial 5					
11	6 Indep Sig Sqn	FREDERICTON	See serial 6					
12	1 RNBR	FREDERICTON	See serial 6					
13	HQ Sp & F Coy	SAINT JOHN	See serial 5					
14	B Coy	ST STEPHEN	175. for 7 mos	High School Post Office (1895)	36,150. Plus land 3,000.	1,850.	3,120.	
15	C Coy	GRAND FALLS	2,100.	Bowling Alley		510.	3,420.	
16	1 Pl	PLASTER ROCK	3,000.	Theatre		760.	2,160.	
17	D Coy	EDMUNSTON	5,700.	Store		740.	2,670.	
18	2 RNBR	BATHURST	50. 1,800.	High School Armoury (1885) Kent House	36,000. Plus land 1,000.	3,690. 695.	3,120. 3,120.	

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NB AREA (Continued)

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			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
19	2 RNBR (Con'td) Sp Coy	NEWCASTLE		Armoury (1953)	351,749. Plus land 8,400.	6,630.	9,360.	
20	A Coy	CHATHAM		Armoury (1911)	9,500. Plus land 6,000.	2,115.	3,420.	
21	C Coy	CAMPBELLTON		Armoury	25,000.	2,035.	3,420.	Purchased 1910
22	D Coy	DALHOUSIE	5,400.	Fire Hall			1,780.	
23	112 Coy RCASC	SAINT JOHN	See serial 5					
24	113 Coy RCASC	MONCTON	See serial 9					
25	3 Med Coy	MONCTON	See serial 9					
26	4 Med Coy	SAINT JOHN	See serial 5					
27	21 Tech Sqn	MONCTON	See serial 9					
28	51 Dent Unit	SAINT JOHN	See serial 5					
29	5 MIL GP HQ	MONCTON	See serial 9					
30	6 MIL GP HQ	SAINT JOHN	See serial 5					
31	102 MAN DEP	SAINT JOHN	See serial 5					
32	16 Pro Coy	MONCTON	See serial 9					

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NS/PEI AREA

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			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	2 MIL GP HQ	CHARLOTTETOWN	See Serial 4					
2	3 MIL GP HQ	SYDNEY	See Serial 26					
3	4 MIL GP HQ	HALIFAX	See Serial 7					
4	PEIR	CHARLOTTETOWN		5 Wartime Huts	49,000. Plus land 2,000.		3,620.	
5	B Sqn	MONTAGUE	1,209.	Lodge & Dance Hall		480.	1,930.	
6	C Sqn	SUMMERSIDE		Armoury (1910)	00. Plus land 2,500.	555.	2,815.	
7	HAL RIF	HALIFAX		Armoury (1896)	200,000. Plus land 30,189.	27,135.	30,900.	
8	14 Fd Regt	YARMOUTH		6 Wartime Bldgs (1941)	71,000. Plus land 3,050.	8,380.	20,510.	
9	133 Fd Bty	LIVERPOOL	DPW (nil)	5 Wartime Bldgs Federal Bldg	22,250. Plus land 15,000.	1,795. DPW	3,370. DPW	
10	88 Fd Bty	WINDSOR	4,279.	Civic Bldg				Shared with CA(R)
11	1 Fd Regt	HALIFAX	See Serial 7					
12	87 Fd Bty	EASTERN PASSAGE		5 Wartime Bldgs	125,000.		3,620.	
13	201 Fd Bty	EASTERN PASSAGE						
14	6 Indep Fd Bty	SYDNEY	See Serial 26					
15	5 Fd Engr Regt	HALIFAX		Armoury	55,000.	5,294.	3,670.	Purchased 1952
16	45 Fd Sqn	SYDNEY	See Serial 26					
17	5 Sig Regt	CHARLOTTETOWN		Armoury (1866)	5,700. Plus land 1,500.	13,600.	20,831.	
18	6 Sig Regt	HALIFAX	See Serial 7					
19	PL FUS	HALIFAX	See Serial 7					
20	1 NS HIGHRS	AMHERST		Armoury (1915)	100,000. Plus land 11,000.	4,510.	9,830.	

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NS/PEI AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
21	SP & D Coy	NEW GLASGOW	222. for land	Drill Hall & Adm Bldg Garage	47,800. 53,000.	2,500.	8,675.	Purchased 1960
22	A Coy	PICTOU		Commissary (1940)	28,000. Plus land 2,450.	2,315.	7,910.	
23	B Coy	SPRINGHILL	120.	Garage Armoury (1900)	20,000. Plus land 3.	2,050.	5,930.	
24	C Coy	TRURO		3 Misc Bldgs	47,900. Plus land 5,000.	3,275.	2,970.	
25	E Coy	ANTIGONISH		Legion Hall	13,700.	940.	1,775.	Purchased in 1952
26	2 NS HIGHRS	SYDNEY		10 Wartime Bldgs	187,000.	15,985.	26,750.	
27	A & C Coys	GLACE BAY		Armoury (1953)	371,118. Plus land 3,500.	7,905.	7,190.	
28	B Coy	NORTH SYDNEY		NCO Mess & garage (1941)	76,500. Plus land 1,090.	1,930.	9,065.	
29	WEST NSR	ALDERSHOT		12 Wartime Huts (1940)	140,000.	37,165.	1,395.	
30	B Coy	BRIDGETOWN	3,600.	Community Centre		130,	1,775.	
31	C Coy	DEEP BROOK		H Hut			3,370.	
32	D Coy	BRIDGEWATER		Armoury (1867)	30,000.	1,310.	3,055.	A garage is leased for 120. per year for D Coy pers at New Germany
33	2 Pls	LUNENBURG		Armoury (1912)	50,000. Plus land 1,000.	1,255.	1,775.	
34	Band	MIDDLETON		Armoury (1905)	15,000. Plus land 550.	925.	3,270.	
35	1 Colm RCASC	HALIFAX		4 Misc Bldgs (1905)	85,000.	6,274.	9,730	Part of Citadel complex
36	110 Coy RCASC							
37	Food Svc Pl	CHARLOTTETOWN	See serial 4					
38	Tpt Pl	CHARLOTTETOWN	See serial 4					
39	111 Coy RCASC	SYDNEY	See serial 26					

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
40	EASTERN COMMAND Med Advisory Staff	HALIFAX	No accn required					
41	2 Med Coy	HALIFAX	See Serial 7					
42	5 Med Coy	CHARLOTTETOWN	See Serial 4					
43	6 Med Coy	SYDNEY	See Serial 26					
44	1 ORD BN A Coy	HALIFAX		2 Wartime Bldgs (1908)	355,000.	180.		
45	20 Tech Sqn	HALIFAX	See Serial 44					
46	EASTERN COMMAND Dent Advisory Staff	HALIFAX	See Serial 44					
47	50 Dent Unit	HALIFAX	See Serial 7					
48	5 Pro C	HALIFAX	See Serial 7					
49	2 Secs	CHARLOTTETOWN	See Serial 4					
50	3 Int Trg Coy	HALIFAX	See Serial 7					
51	EASTERN COMMAND PSU	HALIFAX	See Serial 44					
52	EASTERN COMMAND Ch Unit	HALIFAX	See Serial 44					
53	101 MAN DEP	HALIFAX	See Serial 7					

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PRESENT MILITIA ORDER OF BATTLE BY AREAS

NFLD AREA

Appendix 1
to ANNEX A
of Part II of the Report
of the Commission on
Reorganization of the Militia

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOMMODATION					REMARKS
			RENTED ANNUAL RENT	BUILDING TYPE	ORIGINAL COST	ANNUAL MAINT	COST CIV STAFF	
			$		$	$	$	
1	1 MIL GP HQ	ST JOHN'S		Wartime Bldgs	Unknown	Unknown	Unknown	
2	56 Fd Sqn	ST JOHN'S	See serial 1					
3	R NFLD R	ST JOHN'S	See serial 1					
4	A Coy	CORNERBROOK		Hanger (1941)	49,000. Plus land 1.	5,595.	6,370.	
5	B Coy	GRAND FALLS	Land 2.00	Hanger (1941)	49,000.	6,080.	6,855.	
6	C Coy	BELL ISLAND	3,600. 1,805.	Masonic Hall St Kevin's Hall				
7	2 Pls 111 Coy RCASC	ST JOHN'S	See serial 1					
8	1 Med Coy	ST JOHN'S	See serial 1					
9	Pl	CORNERBROOK	See serial 4					
10	NFLD AREA Det of EASTERN COMMAND Med Advisory Staff	ST JOHN'S	See serial 1					
11	112 MAN DEP	ST JOHN'S	See serial 1					

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

BRITISH COLUMBIA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	24 MIL GP HQ	VANCOUVER	Disband	SOS or absorbed by units as applicable	Some to be available for new Militia HQ. Remainder returned to HQ BC Area	Unknown
2	25 MIL GP HQ	VICTORIA	Disband	SOS or absorbed by units as applicable	Available for remaining units	Unknown
3	27 MIL GP HQ	VERNON	Disband	SOS or absorbed by units as applicable	Available for combined Command both BCD and RM Rang	Unknown
4	C Sqn BCR	NANAIMO	Relocate with parent unit in VANCOUVER	Absorbed by B Coy Scot R	B Coy C Scot R to retain best accommodation and release surplus	2,500.
5	HQ BCD	KELOWNA	Relocate to VERNON	Absorbed by B Sqn	To be used by B Sqn	Unknown
6	24 Fd Regt	TRAIL	Transfer to Supplementary Order of Battle	Absorbed by 44 Fd Sqn	To be used by 44 Fd Sqn	Unknown
7	111 Fd Bty	NELSON	Transfer to Supplementary Order of Battle	Absorbed by Tp 44 Fd Sqn to be located in NELSON	To be used by Tp 44 Fd Sqn	Nil
8	HQ 7 Fd Engr Regt	VANCOUVER	Transfer to Supplementary Order of Battle	SOS or absorbed by units as applicable	See footnote	See footnote
9	22 Fd Sqn	CHILLIWACK	Transfer to Supplementary Order of Battle	SOS or absorbed by B Coy Western R to be located at ABBOTSFORD	Declare surplus or lease to community	7,170.
10	West Cat Sig Regt less one Sqn	VANCOUVER	One sqn to remain active. Remainder transferred to Supplementary Order of Battle	To form one sqn	To be used by sqn and other units	See footnote
11	5 Area Sig Sqn	VICTORIA	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for remaining units	Unknown
12	C Coy IR FUS of C	POWELL RIVER	Relocate with parent unit in VANCOUVER	SOS	Vacate and return to owner	2,552.
13	D Coy IR FUS of C	PRINCE RUPERT	Relocate with parent unit in VANCOUVER	SOS	Declare surplus or lease to community	5,920.
14	Pl B Coy RM Rang	QUESNEL	Relocate with parent Company in KAMLOOPS	SOS	Vacate and return to owner	900.
15	Pl C Coy RM Rang	ARMSTRONG	Relocate with parent Company in SALMON ARM	Parade at SALMON ARM	Declare surplus or lease to community	2,753.

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

BRITISH COLUMBIA AREA (Continued)

APPENDIX 2 to ANNEX "A" to Part II of Report by Commission on Reorganization of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
16	B Coy Westmr R	MISSION	Relocate to ABBOTSFORD	Parade at ABBOTSFORD	Declare surplus or lease to community	4,970.
17	A Coy C Scot R	DUNCAN	Relocate with parent unit in VICTORIA	SOS or parade at NANAIMO or VICTORIA	Vacate and return to owner	6,270.
18	Pl C Coy C Scot R	CAMPBELL RIVER	Relocate with parent company in COURTENAY	SOS	Vacate and return to owner	840.
19	D Coy C Scot R	PORT ALBERNI	Relocate with parent unit in VICTORIA	SOS	Declare surplus or lease to community	12,320.
20	152 Coy RCASC	ABBOTSFORD	Transfer to Supplementary Order of Battle	Absorbed by B Coy Westmr R to be located at ABBOTSFORD	To be used by B Coy Westmr R	Non applicable
21	61 Dent Unit	VANCOUVER	Disband	SOS or absorbed by new organization	See footnote	See footnote
22	8 Tech Regt less one Sqn	VANCOUVER	One sqn to remain active. Remainder transferred to Supplementary Order of Battle	To form one sqn	To be used by sqn and other units	See footnote
23	40 Tech Sqn	VICTORIA	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for remaining units	Unknown
24	APIS	VICTORIA	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for remaining units	Unknown
25	111 Man Dep	VANCOUVER	Disband	SOS except for those fit to to be absorbed by other units	See footnote	See footnote

NOTE: Remaining units in VANCOUVER can be accommodated without the retention of the Shaughnessy property, which should be declared surplus. Shaughnessy accommodation is not the most suitable nor in the best location for a Militia Armoury. Annual reduction in accommodation costs $20,335.

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

ALBERTA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	22 Mil GP HQ	CALGARRY	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
2	23 Mil GP HQ	EDMONTON	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
3	Two Tps C Sqn SALH	BOW ISLAND	Relocate with Parent unit in MEDICINE HAT	SOS	Vacate and return to owner	3,589
4	Tp 19D	FORT SASKATCHEWAN	Relocate with parent unit in EDMONTON	SOS or parade at EDMONTON	Vacate and return to owner	1,200.
5	Tp D Sqn 19D	DEVON	Relocate with parent squadron at WETASKIWIN	SOS or parade at WETASKIWIN or EDMONTON	Vacate and return to owner	1,200.
6	Tp A Sqn KO Calg R	STRATHMORE	Relocate with parent squadron at STRATHMORE	SOS or parade at CALGARY or GLEICHEN	Declare surplus or lease to community	4,716.
7	C Sqn KO Calg R	RED DEER	Relocate with parent unit at CALGARY	To be absorbed by 78 Fd Bty RED DEER	Retain for use of 78 Fd Bty	Unknown
8	Tp C Sqn KO Calg R	INNISFAIL	Relocate with parent unit at CALGARY	SOS or parade at OLDS	Declare surplus or lease to community	3,620.
9	19 Med Rgt	CALGARY	Transfer to Supplementary Order of Battle	SOS or absorbed by other units in CALGARY	Available for other units	Unknown
10	23 Med Bty	BANFF	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	5,720.
11	Tp	BEAUMONT	Relate with parent unit in EDMONTON	SOS or parade at EDMONTON	Vacate and return to owner	1,500.
12	Tp 13 Fd Sqn	CALGARY	Relocate with parent unit at BROOKS	Absorbed by other units in CALGARY	Declare surplus	12,300.
13	Tp 13 Fd Sqn	BASSANO	Relocate with parent unit at BROOKS	SOS or parade at BROOKS	Declare surplus or lease to community	3,005.
14	Tp 17 Fd Sqn	CRESTON	Relocate with parent unit at KIMBERLEY	SOS	Vacate and return to owner	4,800.
15	OP Tp 8 Indep Sig Sqn	WETASKIWIN	Relocate with parent unit at EDMONTON	To be absorbed by D Sqn 19D WETASKIWIN	Available for D Sqn 19D	Unknown
16	Pl D Coy Calg Highrs	DELIA	Relocate with parent Company at HANNA	Parade at HANNA	Vacate and return to owner	500.
17	Fl A Coy L Edmn R	VEGREVILLE	Relocate with parent Company at VERMILION	SOS	Declare surplus or lease to Community	5,310.

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

ALBERTA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
18	MG Pl L Edmn R	DAWSON CREEK BC	Relocate with parent unit at EDMONTON	SOS	Declare surplus or lease to community	7,195.
19	E Coy L Edmn R	FORT SMITH NWT	Relocate with parent unit at EDMONTON	SOS	Vacate and return to owner	3,570.
20	HQ 7 Colm RCASC	CALGARY	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units	Unknown
21	151 Coy RCASC	RED DEER	Transfer to Supplementary Order of Battle	To be absorbed by 78 Fd Bty	To be retained for use of 78 Fd Bty	Unknown
22	153 Coy RCASC	HIGH RIVER	Transfer to Supplementary Order of Battle	Absorbed by Sqn KO Calg R to be located at HIGH RIVER	To be retained for Sqn KO Calg R	Nil
23	Two Pls 153 Coy RCASC RCASC	MEDICINE HAT	Relocate to parent unit at HIGH RIVER and transfer to Supplementary Order of Battle	Nil strength	Non applicable	Nil
24	22 Med Coy	PONOKA	To be transferred to Supplementary Order of Battle	SOS	Declare surplus or lease to community	5,270.
25	Western Command Dent Advisory Staff	EDMONTON	Disband	SOS	Available for other units	Nil
26	59 Dent Unit	CALGARY	Disband	SCS or absorbed by new organization	Available for other units	Nil
27	60 Dent Unit	EDMONTON	Disband	SOS or absorbed by new organization	Available for other units	Nil
28	7 Ord Bn less one Coy	EDMONTON	Transfer to Supplementary Order of Battle	Absorbed by remaining Coy	Retained for remaining Coy	Nil
29	A Sqn Tech Regt	CALGARY	Transfer to Supplementary Order of Battle	Absorbed by other units in CALGARY	To be declared surplus	See Serial 13
30	31 Tech Sqn	BLAIRMORE	Transfer to Supplementary Order of Battle	Absorbed by Engr sub-unit to be located in BLAIRMORE	To be retained	Nil
31	Western Command PSU	EDMONTON	Disband	SOS or absorbed by new organization	Available for other units	Nil
32	110 Man Dep	CALGARY	Disband	SOS except for those fit to be absorbed by other units	To be declared surplus	See Serial 31
33	116 Man Dep	EDMONTON	Disband	SOS except for those fit to be absorbed by other units	Available for other units	Nil

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

SASKATCHEWAN AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	20 MIL GP HQ	REGINA	Disband	SOS or absorbed by other units as applicable	Some to be available for new Militia HQ. Remainder available for other units	Unknown
2	21 MIL GP HQ	SASKATOON	Disband	SOS or absorbed by other units as applicable	Available for other units in SASKATOON	Unknown
3	C Sqn 14H	SHAUNAVON	Relocate with parent unit at SWIFT CURRENT	SOS	Vacate and return to owner	1080.
4	K Tp 65 Fd Bty	MOOSOMIN	Relocate with parent battery at GRENFELL	SOS	To be declared surplus or leased to community	600.
5	B Tp 202 Fd Bty	CANORA	Relocate to YORKTON and transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	1200.
6	21 Indep Med Bty	SASKATOON	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units in SASKATOON	Nil
7	OP Tp 2 Indep Sig Sqn	SASKATOON	Relocate with parent unit in REGINA	SOS or absorbed by other units as applicable	Available for other units in SASKATOON	Nil
8	C Coy 2 N Sask R	ROSETOWN	Relocate with parent unit in SASKATOON	SOS	Vacate and return to owner	1560.
9	D Coy 2 N Sask R	KINDERSLEY	Relocate with parent unit in SASKATOON	SOS	Vacate and return to owner	1440.
10	A Coy S Sask R	WEYBURN	Relocate with parent unit in ESTEVAN	SOS	Vacate and return to owner	3277.
11	58 Dent Unit	REGINA	Disband	SOS or absorbed by new organization	Available for other units	Unknown
12	Rec Tp 37 Tech Sqn	RADISSON	Relocate with parent unit in SASKATOON	SOS	Vacate and return to owner	420.
13	109 Man Dep	REGINA	Disband	SOS except those fit to be absorbed by other units	Available for other units in REGINA	Unknown

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APPENDIX 2 to
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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

MANITOBA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	19 MIL GP HQ	WINNIPEG	Disband	SOS or absorbed by units as applicable	Some to be available for new Militia HQ. Remainder returned to HQ Man Area	Unknown
2	12D	VIRDEN	Transfer to Supplementary Order of Battle	To form sub-unit of 26 Fd Regt (SP)	To be retained	Nil
3	A Sqn	MINNEDOSA	Transfer to Supplementary Order of Battle	To form sub-unit of 26 Fd Regt (SP)	To be retained	Nil
4	C Sqn	NEEPAWA	Transfer to Supplementary Order of Battle	To form sub-unit of 26 Fd Regt (SP)	To be retained	Nil
5	28 Fd Bty	PORTAGE LA PRAIRIE	Relocate to NEEPAWA	To form sub-unit of FGHM	To be retained	Nil
6	39 Fd Regt (SP)	WINNIPEG	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units in Winnipeg	Unknown
7	D TP 17 FD BTY	EMERSON	Relocate to Winnipeg with parent unit. Transfer to Supplementary order of Battle	SOS	Vacate and return to owner	2,700
8	HQ 6 Fd Engr Regt and 12 Fd Sqn	WINNIPWG	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units in Winnipeg	Unknown
9	Wpg Gren	WINNIPEG	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units in Winnipeg	Unknown
10	HQ 6 Colm RCASC & 143 Coy RCASC	WINNIPEG	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Available for other units in Winnipeg	Unknown
11	141 Coy RCASC	BRANDON	Transfer to Supplementary Order of Battle	SOS or absorbed by 26 Fd Regt (SP)	Available for 26 Fd Regt (SP) Brandon	Unknown
12	57 Dent Unit	WINNIPEG	Disband	SOS or absorbed by new organization	Available for other units in Winnipeg	Unknown
13	6 Ord Bn less one Coy	WINNIPEG	One Coy to remain active. Remainder transferred to Supplementary Order of Battle	To form one Coy	To be retained	Unknown
14	7 Tech Regt less one Sqn.	WINNIPEG	One Sqn to remain active. Remainder transferred to Supplementary Order of Battle	To form one Sqn	To be retained	Unknown
15	108 Man Dep	WINNIPEG	Disband	SOS except those fit to be absorbed by other units	Available for other units in Winnipeg	Unknown

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

WESTERN ONTARIO AREA

APPENDIX 2 to ANNEX "A" to Part II of Report by Commission on Reorganization of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	18 Mil Gp HQ	LONDON	Disband	SOS or absorbed by other units as applicable	Return to Regular Army	10,550
2	26 Mil Gp HQ	WINDSOR	Disband	SOS or absorbed by other units as applicable	Vacate and return to owner	17,086
3	7 Fd Regt	SARNIA	Transfer to Supplementary Order of Battle	Absorbed by Inf Coy	Retain for use of Inf Coy	nil
4	12 Fd Bty	LONDON	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for units now in Wolseley Barracks	6,322
5	48 Fd Bty	WATFORD	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community	3,302
6	16 Fd Bty	FERGUS	Relocate with parent unit at GUELPH	Parade at GUELPH	Vacate and return to owner	1,910
7	169 Fd Bty	PARIS	Relocate with parent unit at BRANTFORD	Parade at BRANTFORD	Declare surplus or lease to community	4,502
8	HQ 11 Fd Engr Regt	LONDON	Transfer to Supplementary Order of Battle	SOS or absorbed by 7 Fd Sqn	See serial 4	See serial 4
9	11 Fd Sqn	SARNIA	Transfer to Supplementary Order of Battle	Absorbed by Inf Coy	Retain for use of Inf Coy	nil
10	9 Sig Regt less one Sqn	LONDON	Transfer to Supplementary Order of Battle	SOS or absorbed by remaining Sqn	See serial 4	See serial 4
11	Pl B Coy 3 RCR	INGERSOLL	Relocate with parent unit at WOODSTOCK	Parade at WOODSTOCK	Vacate and return to owner	unknown DPW building
12	Perth R	STRATFORD	Transfer to Supplementary Order of Battle	Absorbed by 3 RCR	Retain for 3 RCR	nil
13	Sp Coy	ST MARY'S	Transfer to Supplementary Order of Battle	Absorbed by 3 RCR. Parade at STRATFORD	Declare surplus or lease to community	2,902
14	HLI of C	GALT	Transfer to Supplementary Order of Battle	Absorbed by amalgamation of HLI of C with SF of C to be located in Kitchener and Galt	Retain for use of amalgamated unit	Nil

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
WESTERN ONTARIO AREA (Continued)

APPENDIX 2 to ANNEX "A" to Part II of Report by Commission on Reorganization of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
15	D Coy 1 E & K Scot	LEAMINGTON	Relocate with parent unit at WINDSOR	SOS	Vacate and return to owner	300
16	D Coy 2 E & K Scot	WALLACEBURG	Relocate with parent unit at CHATHAM	Parade at CHATHAM	Declare surplus or lease to community	4,290
17	SF of C	KITCHENER	Transfer to Supplementary Order of Battle	Absorbed by amalgamation of HLI of C with SF of C to be located in Kitchener and Galt SOS or absorbed by remaining Coy of C to be located in Kitchener and Galt	Retain for use of amalgamated unit	See Serial 14
18	4 Colm RCASC less one Coy	LONDON	Transfer to Supplementary Order of Battle	SOS or absorbed by remaining Coy	Declare surplus or lease to community	8,650
19	137 Coy RCASC	KITCHENER	Transfer to Supplementary Order of Battle	Absorbed by other units	Declare surplus or lease to community	15,732
20	14 Med Coy	WINDSOR	Transfer to Supplementary Order of Battle	Nil strength	Non-applicable	Non-applicable
21	55 Dent Unit	LONDON	Disband	SOS or absorbed by new organization	See serial 1	See serial 1
22	5 Ord Bn less one Coy	LONDON	Transfer to Supplementary Order of Battle	SOS or absorbed by remaining Coy	See serial 4	See serial 4
23	107 Man Dep	LONDON	Disband	SOS except for those fit to to be absorbed by other units	See serial 1	See serial 1

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
CENTRAL ONTARIO AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	14 Mil Gp HQ	TORONTO	Disband	SOS or absorbed by other units as applicable	Vacate College St and return to owner when Moss Park ready	172,440
2	15 Mil Gp HQ	TORONTO	Disband	SOS or absorbed by other units as applicable	Vacate College St and return to owner when Moss Park ready	See serial 1
3	16 Mil Gp HQ	TORONTO	Disband	SOS or absorbed by other units as applicable	Vacate College St and return to owner when Moss Park ready	See serial 1
4	17 Mil Gp HQ	DUNDAS	Disband	SOS or absorbed by other units as applicable	Required for other units	nil
5	Tp Grey & Sim For	DURHAM	Relocate with parent unit at OWEN SOUND	SOS	Declare surplus or leave to community	4,420
6	Tp Grey & Sim For	COLLINGWOOD	Relocate with parent unit at OWEN SOUND	SOS	Vacate and return to owner	2,100
7	Tp Grey & Sim For	ORILLIA	Relocate with parent Coy at MIDLAND	SOS	Declare surplus or lease to community	5,970
8	B Sqn Alq R	VIRGINIATOWN	Relocate at KIRKLAND LAKE	Parade at KIRKLAND LAKE	Vacate and return to owner	1,500
9	44 Fd Regt	ST CATHERINES	Transfer to Supplementary Order of Battle less 10 Fd Bty	Absorbed by 10 Fd Bty	Available for 30 Tech Sqn and other units	8,160
10	57 Fd Regt	WELLAND	Transfer to Supplementary Order of Battle	Absorbed by 171 Fd Bty FORT ERIE	Declare surplus or lease to community	12,900
11	58 Fd Regt	SUBDURY	Transfer to Supplementary Order of Battle	Absorbed by Inf Bn	Retain for Inf Bn	nil
12	40 Med Regt	KENORA	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community	5,920
13	118 Med Bty	PORT ARTHUR	Transfer to Supplementary Order of Battle	Absorbed by Lake Sup Scot R	Available for other units	nil
14	121 Med Bty	FORT FRANCES	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community	2,227
15	42 Med Regt	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 29 Fd Regt	Falaise Property Declare surplus	28,080

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
CENTRAL ONTARIO AREA (Continued)

APPENDIX 2 to ANNEX "A" to Part II of Report by Commission on Reorganization of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
16	1 Loc Regt	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 29 Fd Regt	See serial 15	See serial 15
17	18 Fd Sqn	HAMILTON	Transfer to Supplementary Order of Battle	Absorbed by other units	Vacate Burlington St. Property and return to owner	58,510
18	2 Sig Sqn	PORT CREDIT	Relocate with parent unit at TORONTO	Nil strength	Required for other units	unknown
19	8 Sig Regt	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 2 Sig Regt	Spadina Armoury. Declare surplus or lease to community	28,110
20	A Coy RHLI	ANCASTER	Relocate with parent unit at HAMILTON	SOS or parade at HAMILTON	Vacate and return to owner	1,200
21	B Coy RHLI	WATERDOWN	Relocate with parent unit at HAMILTON	SOS or parade at HAMILTON	Vacate and return to owner	1,500
22	A Coy Linc & Welld R	NIAGARA-ON-THE-LAKE	Relocate with unit at ST CATHERINES	SOS or parade at ST CATHERINES	Required for Summer Camp	nil
23	B Coy Linc & Welld R	WELLAND	Relocate at FORT ERIE	Parade at FORT ERIE	See serial 10	See serial 10
24	Pl C Coy Lorne Scots	MILTON	Relocate with parent Coy at GEORGETOWN	Parade at GEORGETOWN	Declare surplus or lease to community	2,752
25	D Coy A & SH of C	GRIMSBY	Relocate with parent unit at HAMILTON	SOS or parade at HAMILTON	Vacate and return to owner	11,658
26	5 Colm RCASC less two Coys	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 1 Toronto Service Bn	Required for Service Bn	unknown
27	Pl	OWEN SOUND	Relocate with parent Coy at TORONTO	Absorbed by other units	Available for other units	nil
28	Central Comd Dent Advisory Staff	OAKVILLE	Disband	SOS	Vacate	unknown

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

CENTRAL ONTARIO AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
29	56 Dent Unit	TORONTO	Disband	SOS or absorbed by new organization	When Moss Park ready vacate and return to owner	See serial 1
30	4 Ord Bn less two Coys	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 2 Toronto Service Bn	When Moss Park ready vacate and return to owner	See serial 1
31	4 Tech Regt less two Sqns	TORONTO	Transfer to Supplementary Order of Battle	Absorbed by 1 Toronto Service Bn	See serial 15	See serial 15
32	5 Tech Regt less one Sqn	HAMILTON	Transfer to Supplementary Order of Battle	Absorbed by Hamilton Service Bn	See serial 17	See serial 17
33	Central Comd PSU	TORONTO	Disband	SOS or absorbed by new organization	See serial 1	See serial 1
34	106 Man Dep	TORONTO	Disband	SOS except for those fit to be absorbed by other units	See serial 1	See serial 1
35	115 Man Dep	PORT ARTHUR	Disband	SOS except for those fit to be absorbed by other units	Required for other units	nil

NOTE: When Moss Park Armoury is ready for occupancy an additional annual saving in accommodation costs of $29,815 can be realized by disposal of Richmond St. Armoury.

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

EASTERN ONTARIO AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	12 MIL GP HQ	OTTAWA	Disband	SOS or absorbed by other units as applicable	Vacate and return to owner	13,399.
2	13 MIL GP HQ	PETERBOROUGH	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
3	4 PLDG	OTTAWA	Transfer to Supplementary Order of Battle	SOS or absorbed by other units as applicable	Vacate and return to owner	31,340.
4	C Sqn	PRESCOTT	Transfer to Supplementary Order of Battle	SOS or absorbed by Brock Rif at BROCKVILLE	Vacate and return to owner	7,862.
5	D Sqn	SMITH'S FALLS	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community	5,812.
6	F Tp 25 Fd Bty	KEMPTVILLE	Relocate with parent unit in OTTAWA	Absorbed by Sqn 3 Sig Regt to be relocated in KEMPTVILLE	Retain	Nil
7	50 Fd Regt	PETERBOROUGH	Transfer to Supplementary Order of Battle	Absorbed by Prince of Wales Rang to be activated in PETERBOROUGH	Retain	Nil
8	45 Fd Bty	LINDSAY	Transfer to Supplementary Order of Battle	Absorbed by Prince of Wales Rang to be activated in LINDSAY	Retain	Nil
9	33 Med Regt	COBOURG	Transfer to Supplementary Order of Battle	Absorbed by Prince of Wales Rang to be activated in COBOURG	Retain	Nil
10	47 Fd Bty	NAPANEE	Transfer to Supplementary Order of Battle	Absorbed by Coy of Hast and Per to be activated in NAPANEE	Retain	Nil
11	3 Indep Med Bty	GANANOQUE	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community	5,920.
12	3 Fd Sqn	OTTAWA	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	Declare surplus or lease to community	3,150
13	55 Fd Sqn	KINGSTON	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	Declare surplus or lease to community	2,079. Plus a portion of KINGSTON Armoury costs
14	A Coy Hast & Per	TRENTON	Relocate with parent unit in BELLEVILLE	SOS or parade at BELLEVILLE	Declare surplus or lease to community	3,622.

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

EASTERN ONTARIO AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
15	Pl	NORWOOD	Relocate with parent Coy in MADOC	SOS	Declare surplus or lease to community	1,336.
16	C Coy	PORT HOPE	Relocate with parent unit in BELLEVILLE	SOS or parade at COBOURG with PWR	Declare surplus or lease to community	5,291.
17	Pl	MILLBROOK	Relocate with parent unit in BELLEVILLE	SOS	Declare surplus or lease to community	3,093.
18	D Coy L&R Scot R	PERTH	Relocate with parent unit in PEMBROKE	SOS	Declare surplus or lease to community	5,185.
19	D Coy SD & G Highrs	ALEXANDRIA	Relocate with parent unit in CORNWALL	SOS	Declare surplus or lease to community	5,902.
20	Tpt Pl 130 Coy RCASC	KINGSTON	Relocate with parent unit in OTTAWA	SOS or absorbed by other units	Available for other units	Nil
21	9 Med Coy	CORNWALL	Transfer to Supplementary Order of Battle	SOS or absorbed by SD & G Highrs	Available for SD & G Highrs	Unknown
22	11 Med Coy	KINGSTON	Transfer to Supplementary Order of Battle	SOS or absorbed by PWOR	Available for PWOR	Unknown
23	54 Dent Unit	OTTAWA	Disband	SOS or absorbed by new organization	Available for other units	Unknown
24	113 Man Dep	OTTAWA	Disband	SOS except for those fit to be absorbed by other units	Available for other units	Unknown

NOTE: 30 Fd Regt will share accommodation with RCN at HMCS CARLETON. Rented building at 526 St Patrick St Ottawa now occupied by this unit can be vacated and returned to owner. Annual Reduction in accommodation costs $14,770.

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
WESTERN QUEBEC AREA

APPENDIX 2 to
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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	9 MIL GP HQ	SHERBROOKE	Disband	SOS or absorbed by other units as applicable	Declare surplus or lease to community	11,408.
2	10 MIL GP HQ	MONTREAL	Disband	SOS or absorbed by other units as applicable	Declare surplus or lease to community (3626 St Urbain)	20,922.
3	11 MIL GP HQ	TROIS RIVIERES	Disband	SOS or absorbed by other units as applicable	Declare surplus or lease to community	18,870.
4	SHER R	SHERBROOKE	Transfer to Supplementary Order of Battle	Absorbed by other units	Declare surplus or lease to community	30,604.
5	7/11 H	RICHMOND	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	2,294.
6	A Sqn	ASBESTOS	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	8,815.
7	B Sqn	WINDSOR	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	6,595.
8	C Sqn	BURY	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community Vacate and return to owner	6,607.
9	34 Fd Regt	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units including 5 Fd Bty	Retain for use of reorganized artillery and Second Montreal Service Bn	See Serial 34
10	37 Fd Regt	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units including 5 Fd Bty	Retain for use of reorganized artillery and Second Montreal Service Bn	See Serial 34
11	131 Fd Bty	LACHUTE	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	3,350.
12	2 Med Regt	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units including 2 Fd Bty	Retain for use of reorganized artillery and Second Montreal Service Bn	See Serial 34

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

WESTERN QUEBEC AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
13	3 Loc Bty	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	Retain for use of reorganized artillery and Second Montreal Service Bn	See Serial 34
14	58 Fd Sqn	ASBESTOS	Transfer to Supplementary Order of Battle	Nil strength	See Serial 6	See Serial 6
15	11 Sigs Regt	WESTMOUNT	Transfer to Supplementary Order of Battle	Absorbed by 15 Indep Sig Sqn to be relocated at WESTMOUNT	Retain	Nil
16	15 Indep Sigs Sqn	TROIS RIVIERES	Relocate at WESTMOUNT	Absorbed by other units TROIS RIVIERES	See Serial 3	See Serial 3
17	VRC	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	Declare surplus or lease to community. Vacate garage and return to owner	17,015.
18	A Coy 6 R22eR	ACTON VALE	Relocate with parent unit at ST HYACINTHE	SOS	Vacate and return to owner	1,500.
19	D Coy 6 R22eR	TRACY	Relocate with parent unit at ST HYACINTHE	SOS	Vacate and return to owner	11,440.
20	R de Jol	JOLIETTE	Transfer to Supplementary Order of Battle	SOS	Declare surplus or lease to community. Vacate warehouse and return to owner	6,907. 8,927.
21	B Coy	ST PAUL L'ERMITE	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	5,022.
22	C Coy	L'EPIPHANIE	Transfer to Supplementary Order of Battle	SOS	Vacate and return to owner	6,300.
23	D Coy	ST JEROME	Transfer to Supplementary Order of Battle	Absorbed by Coy of 4 R22eR (Chateauguay-Maisonneuve) to be located in ST JEROME	Retain for 4 R22eR (Chateauguay-Maisonneuve)	Nil
24	R de Mais	MONTREAL	Transfer to Supplementary Order of Battle	Absorbed 4 R22eR (Chateauguay-Maisonneuve)	Retain for other units	Nil
25	A&B Coys	MONTREAL NORTH	Transfer to Supplementary Order of Battle	Absorbed 4 R22eR (Chateauguay-Maisonneuve)	Retain for 4 R22eR (Chateauguay-Maisonneuve)	Nil

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
WESTERN QUEBEC AREA (Continued)

APPENDIX 2 to ANNEX "A" to Part II of Report by Commission on Reorganization of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
26	D Coy Fus de Sher	MAGOG	Relocate with parent unit at Sherbrooke	SOS	Vacate and return to owner	5,958.
27	HQ 3 Colm RCASC less two Coys	MONTREAL	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	Retain for First Montreal Service Bns	Nil
28	125 Coy RCASC	SHERBROOKE	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	See Serial 1	See Serial 1
29	126 Coy RCASC	TROIS RIVIERES	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	See Serial 3	See Serial 3
30	1 Med Coy (less two (less two Coys)	MONTREAL	Transfer to Supplementary Order of Battle	To form two Coys for Montreal Service Bns	Declare surplus or lease to community (1631 Delorimier)	Unknown (DPW Bldg)
31	53 Dent Unit	MONTREAL	Disband	SOS or absorbed by new organization	See Serial 30	See Serial 30
32	Que Comd Dent Advisory Staff	MONTREAL	Disband	SOS or absorbed by new organization	See Serial 30	See Serial 30
33	3 Ord Bn less one Coy	MONTREAL	Transfer to Supplementary Order of Battle	To form Ord Coy for First Montreal Service Bn	Retain See Serial 27	Nil
34	2 Tech Regt less two Sqns	MONTREAL	Transfer to Supplementary Order of Battle	To form two Sqns for First and Second Montreal Service Bns	Declare surplus or lease to community (1055–61 Gregoire)	14,610.
35	24 Tech Sqn	SHERBROOKE	Transfer to Supplementary Order of Battle	SOS or absorbed by other units	See Serial 1	See Serial 1
36	3 Pro Coy less two Pls	MONTREAL	Transfer to Supplementary Order of Battle	To form two Pro Pls for Montreal Service Bns	Retain See Serial 27	Nil
37	101 Pro Pl	DRUMMONDVILLE	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	Nil
38	102 Pro Pl	TROIS RIVIERES	Transfer to Supplementary Order of Battle	Absorbed by other units	See Serial 3	See Serial 3
39	Que Comd PSU	MONTREAL	Disband	SOS or absorbed by new organization	Declare surplus or lease to community (1179 Bleury)	20,510.
40	104 Man Dep	MONTREAL	Disband	SOS except those fit to be absorbed by other units	See Serial 39	See Serial 39

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
EASTERN QUEBEC AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	$
1	7 MIL GP HQ	QUEBEC	Disband	SOS or absorbed by units as applicable	Vacate and return to owner (University of Laval)	14,030.
2	8 MIL GP HQ	LEVIS	Disband	SOS or absorbed by units as applicable	Available for other units	Unknown
3	80 Fd Bty	NEW RICHMOND	Relocate at MONTMAGNY	Absorbed by Pl B Coy Fus de St-L in NEW RICHMOND	Retained for Pl B Coy Fus du St-L	Nil
4	22 Fd Bty	GASPE	Relocate at BEAUPORT	Absorbed by B Coy Fus du St-L in GASPE	Retained for B Coy Fus du St-L	Nil Nil
5	127 Fd Bty	ARVIDA	Transfer to Supplementary Order of Battle	Absorbed by R du Sag CHICOUTIMI	Vacate and return to owner	11,735.
6	57 Loc Bty	QUEBEC	Transfer to Supplementary Order of Battle	Absorbed by 6 Fd Regt	Available for other units	See serial 13
7	RRC	QUEBEC	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	See serial 13
8	Voltigeurs	QUEBEC	Transfer to Supplementary Order of Battle	Absorbed by Voltigeurs Service Bn	Available for other units	See serial 13
9	B Coy R du Sag	PORT ALFRED	Relocate at CHICOUTIMI	Parade at CHICOUTIMI	Vacate and return to owner	6,859.
10	Pl A Coy Rde Chaud	ST JOS de BEAUCE	Relocate with parent Coy at BEAUCEVILLE	Parade at BEAUCEVILLE	Vacate and return to owner	960.
11	B Coy Fus du St-L	MONTMAGNY	Relocate at GASPE	Absorbed by 80 Fd Bty in MONTMAGNY	Retained for 80 Fd Bty	Nil
12	Pl B Coy Fus du St L	MONTMAGNY	Relocate at NEW RICHMOND	Absorbed by 80 Fd Bty in MONTMAGNY	Retained for 80 Fd Bty	Nil
13	2 Coln RCASC less one Coy	QUEBEC	Transfer to Supplementary Order of Battle	Absorbed by Voltigeurs Service Bn	Declare surplus or lease to community (PARC D'ARTILLERIE)	52,215.
14	105 Man Dep	QUEBEC	Disband	SOS except for personnel fit to be absorbed by other units	See serial 13	See serial 13

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

NEW BRUNSWICK AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	5 MIL GP HQ	MONCTON	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
2	6 MIL GP HQ	SAINT JOHN	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
3	HQ Sqn 8 CH(M)	HAMPTON	Relocate with parent unit at SUSSEX	Parade at SUSSEX	Vacate and return to owner	1,720.
4	A Sqn 8 CH (M)	PETITCODIAC	Relocate with parent unit at SUSSEX	Parade at SUSSEX	Vacate and return to owner	1,100.
5	12 Fd Regt less two Btys	FREDERICTON	Transfer to Supplementary Order of Battle	SOS or absorbed by remaining battery at FREDERICTON	Available for other units	Unknown
6	1 Fd Sqn	SAINT JOHN	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	Unknown
7	4 Indep Sigs Sqn	MONCTON	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	Unknown
8	6 Indep Sigs Sqn	FREDERICTON	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	Unknown
9	B Coy 1 RNBR	ST STEPHEN	Relocate with parent unit at FREDERICTON	SOS	Declare surplus or lease to community	5,145.
10	P1 C Coy 1 RNBR	PLASTER ROCK	Relocate with parent Coy at GRAND FALLS	Parade at GRAND FALLS	Vacate and return to owner	5,920.
11	A Coy 2 RNBR	CHATHAM	Relocate at NEWCASTLE	Parade at NEWCASTLE	Declare surplus or lease to community	5,535.
12	D Coy 2 RNBR	DALHOUSIE	Relocate at CAMPBELLTON	Parade at CAMPBELLTON	Declare surplus or lease to community	7,180.
13	3 Med Coy	MONCTON	Transfer to Supplementary Order of Battle	Absorbed by other units	Available for other units	Unknown
14	51 Dent Unit	SAINT JOHN	Disband	SOS or absorbed by new organization	Available for other units	Unknown
15	102 Man Dep	SAINT JOHN	Disband	SOS except those fit to be absorbed by other units	Available for other units	Unknown

MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
NOVA SCOTIA PRINCE EDWARD ISLAND AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	2 MIL GP HQ	CHARLOTTETOWN	Disband	SOS or absorbed by other units as applicable	Declare surplus or lease to community	34,431.
2	3 MIL GP HQ	SYDNEY	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
3	4 MIL GP HQ	HALIFAX	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
4	Hal Rif	HALIFAX	Transfer to Supplementary Order of Battle	Absorbed by Hal Rif Service Bn	Available for other units	See Serial 13
5	88 Fd Bty	WINDSOR	Transfer to Supplementary Order of Battle	Absorbed by a Coy of West NSR to be located in WINDSOR	Retained for Coy West NSR	Nil
6	6 Indep Fd Bty	SYDNEY	Transfer to Supplementary Order of Battle	Absorbed by 2 NS Highrs	Available for other units	Unknown
7	HQ 5 Fd Engr Regt	HALIFAX	Transfer to Supplementary Order of Battle	SOS or absorbed by 30 Fd Sqn	Retain for use of 30 Fd Sqn	Nil
8	6 Sig Regt less one Sqn	HALIFAX	Transfer to Supplementary Order of Battle	SOS or absorbed by remaining Sqn	Retain for use of Sig Sqn	Nil
9	C Coy 1 NS Highrs	TRURO	Relocate with parent unit at AMHERST	SOS	Declare surplus or lease to community	6,245.
10	E Coy 1 NS Highrs	ANTIGONISH	Relocate with parent unit at AMHERST	SOS	Declare surplus or lease to community	2,715.
11	Pl F Coy 1 NS Highrs	RIVER HEBERT	Relocate with parent unit at AMHERST	Nil strength	Accommodation vacated	Unknown
12	B Coy West NSR	BRIDGETOWN	Relocate at MIDDLETON	Parade at MIDDLETON	Vacate and return to owner	5,505.
13	HQ 1 Colm RCASC	HALIFAX	Transfer to Supplementary Order of Battle	SOS or absorbed by 110 Coy RCASC	Declare surplus or lease to community	16,004.
14	Two Pls 110 Coy RCASC	CHARLOTTETOWN	Relocate with parent unit at HALIFAX	Absorbed by other units	See Serial 1	See Serial 1
15	Eastern Comd Dent Advisory Staff	HALIFAX	Disband	SOS	Available for other units	Unknown

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED
NOVA SCOTIA PRINCE EDWARD ISLAND AREA (Continued)

APPENDIX 2 to
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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
16	50 Dent Unit	HALIFAX	Disband	SOS or absorbed by new organization	Available for other units	Unknown
17	Eastern Comd PSU	HALIFAX	Disband	SOS or absorbed by new organization	Available for other units	
18	101 Man Dep	HALIFAX	Disband	SOS except those fit to be absorbed by other units	Available for other units	Unknown

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

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MILITIA HEADQUARTERS UNITS AND SUB-UNITS TO BE RELOCATED, TRANSFERRED TO SUPPLEMENTARY ORDER OF BATTLE OR DISBANDED

NEWFOUNDLAND AREA

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	DISPOSITION			REDUCTION IN ACCOMMODATION COSTS
			HQ UNIT OR SUB-UNIT	PERSONNEL	ACCOMMODATION	
						$
1	1 MIL GP HQ	ST JOHN'S	Disband	SOS or absorbed by other units as applicable	Available for other units	Unknown
2	C Coy R Nfld R	BELL ISLAND	Relocate with parent unit at ST JOHN'S	SOS	Vacate and return to owner	5,405.
3	Two Pls 111 Coy RCASC	ST JOHN'S	Relocate with parent unit at SYDNEY, NS	SOS or absorbed by other units as applicable	Available for other units	Unknown
4	112 Man Dep	ST JOHN'S	Disband	SOS except for those fit to be absorbed by other units	Available for other units	Unknown

REORGANIZED MILITIA ORDER OF BATTLE

BRITISH COLUMBIA AREA

APPENDIX 3 to
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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	BC Militia HQ	VANCOUVER	HQ BC Area						Regular Assistance and Administration to be provided by Staff of HQ BC Area
2	BCR	VANCOUVER	Beatty St Armoury	X		1	1	2	To train as recce
3	BCD	VERNON	Camp Vernon	X		1	2	2	To train as recce; 1 Lt Col to comd BCD and RM Rang. HQ to be in Vernon. One WO to be WO 2.
4	B Sqn	KELOWNA	Armoury						
5	C Sqn	PENTICTON	Armoury						
6	15 Fd Regt	VANCOUVER	Bessborough Armoury	X		1	1	2	
7	85 Fd Bty	LADNER	Vancouver Wrls Station						
8	5 Fd Bty	VICTORIA	Bay St Armoury			1	1	1	Officer to be a Captain WO to be WO 2 (This bty formerly 5 Indep Med Bty)
9	6 Fd Sqn	NORTH VANCOUVER	Armoury		X	1	1		
10	44 Fd Sqn	TRAIL	Armoury		X	1	1	2	Officer to be a Major WO to be WO 1
11	Tp	NELSON	Armoury						
12	3 Area Sig Sqn	VANCOUVER	Jericho Beach		X	1	1		
13	RM Rang	KAMLOOPS	Armoury	X		1	1	3	See serial 3 remarks
14	Mor Pl	MERRITT	Armoury						
15	A Coy	PRINCE GEORGE	Armoury			1	1		Officer to be Captain WO to be WO 2
16	C Coy	SALMON ARM	Armoury						
17	D Coy	REVELSTOKE	Armoury						
18	Westmr R	NEW WESTMINSTER	Armoury	X		1	1	2	
19	B Coy	ABBOTSFORD	Armoury						
20	SEAFORTH of C	VANCOUVER	Seaforth Armoury	X		1	1	2	

REORGANIZED MILITIA ORDER OF BATTLE

BRITISH COLUMBIA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
21	C Scot R	VICTORIA	Bay St Armoury	X		1	2	3	One WO to be WO 2
22	B Coy	NANAIMO	Camp Site						
23	C Coy	COURTENAY	Camp Site						
24	Ir Fus of C	VANCOUVER	Seaforth Armoury	X		1	1	2	
25	VANCOUVER Service Bn	VANCOUVER	Jericho Beach	X		2	1	2	One Offr to be a Capt
26	156 Coy RCASC	VANCOUVER	Jericho Beach				1		WO to be WO 2
27	24 Med Coy	VANCOUVER	Jericho Beach				1		WO to be WO 2
28	A Coy 8 Ord Bn	VANCOUVER	Jericho Beach				1		WO to be WO 2
29	A Sqn 8 Tech Regt	VANCOUVER	Jericho Beach				1		WO to be WO 2
30	8 Pro Coy	VANCOUVER	Jericho Beach				1		WO to be WO 2
31	155 Coy RCASC	VICTORIA	Bay St Armoury		X	1	1		
32	4 Int Trg Coy	VANCOUVER	HQ BC Area						Regular Assistance and Administration to be provided by staff of HQ BC Area
33	BC Area Det Pers Selection	VANCOUVER	HQ BC Area						Regular Assistance and Administration to be provided by staff of HQ BC Area
34	BC Interior Militia Advisor	VERNON	Armoury						
35	TOTALS			9	4	16	22	23	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

ALBERTA AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Edmonton Militia HQ	EDMONTON	HQ Alta Area						Regular Assistance and Administration to be provided by staff of HQ Alta Area
2	Calgary Militia HQ	CALGARY	HQ Calg Grn						Regular Assistance and Administration to be provided by staff of HQ Alta Area and Calg Grn
3	SALH	MEDICINE HAT	Armoury	X		1	1	2	
4	19D	EDMONTON	HMCS NONSUCH	X		1	2	2	To train as Recce One WO to be WO 2
5	Tp	CAMROSE	Fair Grounds						
6	D Sqn	WETASKIWIN	Armoury						
7	KO Calg R	CALGARY	Mewata Armoury	X		2	2	3	One Offr to be Capt One WO to be WO 2
8	A Sqn	GLEICHEN	Armoury						
9	B Sqn	HIGH RIVER	Armoury						
10	Tp C Sqn	OLDS	Armoury						
11	18 Fd Regt	LETHBRIDGE	Kenyon Fd	X		1	1	2	
12	93 Fd Bty	FT McLEOD	Armoury						
13	20 Fd Regt	EDMONTON	Prince of Wales Armoury	X		1	1	2	
14	78 Fd Bty	RED DEER	Armoury			1	1		
15	8 Fd Engr Regt	LETHBRIDGE	Engr Armoury	X		1	1	2	
16	25 Fd Sqn	EDMONTON	Prince of Wales Armoury		X	1	1		
17	13 Fd Sqn	BROOKS	Armoury		X	1	1		
18	17 Fd Sqn	KIMBERLEY	Rented Buildings		X	1	1	1	
19	Tp	BLAIRMORE	Armoury						
20	7 Indep Sigs Sqn	CALGARY	Mewata Armoury		X	1	1		
21	8 Indep Sigs Sqn	EDMONTON	Prince of		X	1	1		

REORGANIZED MILITIA ORDER OF BATTLE

ALBERTA AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION	REGULAR ASSISTANCE			REMARKS
				MAJOR MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
22	Calg Highrs	CALGARY	Mewata Armoury	X	2	2	3	
23	A Coy	VULCAN	Armoury					
24	C Coy	DRUMHELLER	Navy League Bldg					
25	D Coy	HANNA	Legion Hall					
26	L Edmn R	EDMONTON	Prince of Wales Armoury	X	1	1	2	
27	A Coy	VERMILLION	Armoury					
28	D Coy	GRANDE PRAIRIE	Armoury		1	1		
29	Calgary Service Bn	CALGARY	Lincoln Park	X	2	1	2	One Offr to be a Capt
30	150 Coy RCASC	CALGARY	Lincoln Park			1		WO to be a WO 2
31	21 Med Coy	CALGARY	Lincoln Park			1		WO to be a WO 2
32	6 Ord Coy	CALGARY	Lincoln Park			1		WO to be a WO 2
33	14 Pro Coy	CALGARY	Lincoln Park			1		WO to be a WO 2
34	Edmonton Service Bn	EDMONTON	Prince of Wales Armoury	X	2	1	2	One Offr to be a Capt
35	154 Coy RCASC	EDMONTON	Prince of Wales Armoury			1		WO to be a WO 2
36	23 Med Coy	EDMONTON	Prince of Wales Armoury			1		WO to be a WO 2
37	A Coy 7 Ord Bn	EDMONTON	Prince of Wales Armoury			1		WO to be a WO 2
38	38 Tech Sqn	EDMONTON	Prince of Wales Armoury			1		WO to be a WO 2
39	15 Pro Coy	EDMONTON	Prince of Wales Armoury			1		WO to be a WO 2
40	Western Comd Med Advisory Staff	See Remarks	See Remarks					To consist of one Colonel and one clerk. Location according to availability of most suitable officer.

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REORGANIZED MILITIA ORDER OF BATTLE

ALBERTA AREA (Continued)

APPENDIX 3 to
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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
41	Western Comd Dental HQ	See Remarks	See Remarks						Location according to availability of personnel. To consist of one Colonel, 2 IC, Adjt QM, dental assistant and dental storeman. One dental officer and one dental assistant to be attached to each major unit.
42	32 Tech Sqn	LETHBRIDGE	Kenyon Fd Armoury		X	1	1		
43	Western Comd Ch Unit	EDMONTON	HQ Western Comd						To be administered by HQ Western Command
44	6 Int Trg Coy	EDMONTON	Prince of Wales Armoury						Regular Assistance and Administration to be provided by staff of HQ Alta Area
45	Alta Area Pers Selection Det	EDMONTON	HQ Alta Area						Regular Assistance and Administration to be provided by staff of HQ Alta Area
46	TOTALS			10	6	22	30	23	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

SASKATCHEWAN AREA

APPENDIX 3 to
ANNEX "A" to
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Commission on Reorganization
of the Canadian Army (Militia)

SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Sask Militia HQ	REGINA	HQ Sask Area						Regular Assistance and Administration to be provided by staff of HQ Sask Area
2	Sask D	MOOSE JAW	Armoury	X		1	1	2	To be Recce
3	14 H	SWIFT CURRENT	Armoury	X		1	1	2	To be Recce
4	B Sqn	MAPLE CREEK	Armoury						
5	10 Fd Regt	REGINA	Armoury	X		1	2	3	
6	65 Fd Bty	GRENFELL	Armoury						
7	76 Fd Bty	INDIAN HEAD	Armoury						
8	53 Fd Regt	YORKTON	Armoury	X		1	2	3	
9	B Tp 64 Fd Bty	KAMSACK	Armoury						
10	162 Fd Bty	MELVILLE	Rented store and garage						
11	44 Indep Fd Bty	PRINCE ALBERT	Armoury		X	1	1	1	
12	14 Fd Sqn	REGINA	Armoury		X	1	1		
13	2 Indep Sig Sqn	REGINA	Armoury		X	1	1		
14	Regina Rif	REGINA	Armoury	X		1	1	2	
15	B Coy	FORT QU'APPELLE							
16	1 N SASK R	PRINCE ALBERT	Armoury	X		2	2	3	
17	A Coy	NORTH BATTLEFORD	Armoury						
18	B Coy	MELFORT							
19	C Coy	LLOYDMINSTER	Armoury						
20	2 N SASK R	SASKATOON	Armoury	X		1	1	2	
21	S SASK R	ESTEVAN	Armoury		X	1	1		
22	REGINA Service Bn	REGINA	Armoury	X		2	1	2	One Officer to be a Capt
23	142 Coy RCASC	REGINA	Armoury				1		WO to be WO 2
24	Tpt Pl	MOOSE JAW	Armoury					1	To be S Sgt

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REORGANIZED MILITIA ORDER OF BATTLE

SASKATCHEWAN AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB-UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
25	19 Med Coy	REGINA	Armoury				1		WO to be WO 2
26	Two Pls	MOOSE JAW	Armoury						
27	5 Ord Coy	REGINA	Armoury				1		WO to be WO 2
28	20 Med Coy	SASKATOON	Armoury		X		1		
29	37 Tech Sqn	SASKATOON	Armoury		X	1	1		
30	Sask Area Pers Selection Det	REGINA	HQ Sask Area						Regular Assistance and Administration to be provided by staff of HQ Sask Area
31	Northern Saskatchewan Militia Advisor	SASKATOON	Armoury						
32	TOTALS			8	6	15	20	21	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

MANITOBA AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Man Militia HQ	WINNIPEG	HQ Man Area						Regular Assistance and Administration to be provided by staff of HQ Man Area
2	FGH (M)	WINNIPEG	Fort Osborne	X		1	1	2	
3	Sqn	PORTAGE LA PRAIRIE	Armoury						
4	26 Fd Regt (SP) & 71 Fd Bty	BRANDON	Armoury	X		2	2	3	One Offr to be a Capt One WO to be a WO 2
5	70 Fd Bty	DAUPHIN	Armoury						
6	38 Fd Bty	NEEPAWA	Armoury						
7	Fd Bty	MINNEDOSA	Armoury						
8	Fd Bty	VIRDEN	Armoury						
9	21 Fd Sqn	FLIN FLON	Armoury		X	1	1		
10	46 Fd Sqn	PINE FALLS	Armoury		X	1	1		
11	10 Indep Sig Sqn	WINNIPEG	Minto Armoury		X	1	1		
12	R Wpg Rif	WINNIPEG	Minto Armoury	X		1	1	2	
13	Camerons of C	WINNIPEG	McGregor Armoury	X		1	1	2	
14	Winnipeg Service Bn	WINNIPEG	Minto Armoury	X		2	1	2	One Offr to be a Capt
15	140 Coy RCASC	WINNIPEG	Minto Armoury				1		
16	18 Med Coy	WINNIPEG	Minto Armoury				1		
17	A Coy 6 Ord Bn	WINNIPEG	Minto Armoury				1		
18	A Sqn 7 Tech Regt	WINNIPEG	Minto Armoury				1		
19	13 Pro Coy	WINNIPEG	Minto Armoury				1		
20	5 Int Trg Coy	WINNIPEG	Fort Osborne						Regular Assistance and Administration to be provided by HQ Man Area
21	Man Area Pers Selection Det	WINNIPEG	Fort Osborne						Regular Assistance and Administration to be provided by HQ Man Area
22	TOTALS			5	3	10	14	11	

Unless otherwise stated rank of Regular assistance will be: For Major Units: Majors and WO 1; For Minor Units: Capts and WO 2; For all types of Units: S Sgt or Sgt

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REORGANIZED MILITIA ORDER OF BATTLE
WESTERN ONTARIO AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Western Ont Militia HQ	LONDON	HQ W Ont Area						Accommodation and administration to be provided by staff of HQ W Ont Area
2	1H	LONDON	Dundas St Armoury	X		1	1	2	
3	Windsor R	WINDSOR	Armoury	X		1	1	2	To train as Recce
4	Elgin R	ST THOMAS	Armoury	X		1	1	2	Designated as Armoured Delivery Unit but to train with tanks
5	11 Fd Regt	GUELPH	Armoury	X		1	1	2	
6	21 Fd Regt	WINGHAM	Armoury	X		1	2	3	One WO to be WO2
7	97 Fd Bty	WALKERTON	Armoury						
8	100 Fd Bty	LISTOWEL	Armoury						
9	56 Fd Regt	BRANTFORD	Armoury	X		1	1	2	
10	69 Fd Bty	SIMCOE	Armoury						
11	7 Fd Sqn	LONDON	Dundas St Armoury		X	1	1		
12	48 Fd Sqn	GALT	Armoury		X	1	1		
13	Sqn 9 Sig Regt	LONDON	Dundas St Armoury		X	1	1		
14	3 RCR	LONDON	Dundas St Armoury	X		1	2	3	One WO to be WO2
15	A & B Coys	WOODSTOCK	Armoury						
16	Coy	STRATFORD	Armoury						
17	Inf Bn	GALT	Armoury	X		1	1	2	Inf Bn to be formed from amalgamation of HLI of C and SF of C. Name to be decided by units concerned.
18	Two Coys	KITCHENER	Victoria St Armoury						
19	1 E & K Scot	WINDSOR	Armoury	X		1	1	2	

REORGANIZED MILITIA ORDER OF BATTLE

WESTERN ONTARIO AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
20	2 E&K Scot	CHATHAM	Armoury	X		1	1	2	
21	Coy	SARNIA	DPW Bldg						
22	London Service Bn	LONDON	HMCS Prevost	X		2	1	2	One Offr to be Capt
23	Coy RCASC	LONDON	HMCS Prevost				1		WO to be WO2
24	15 Med Coy	LONDON	HMCS Prevost				1		WO to be WO2
25	A Coy 5 Ord Bn	LONDON	HMCS Prevost				1		WO to be WO2
26	6 Pro Coy	LONDON	HMCS Prevost				1		WO to be WO2
27	12 Med Coy	KITCHENER	Victoria St Armoury		X		1		WO to be WO2
28	39 Tech Sqn	WINDSOR	HMCS Hunter		X	1	1		
29	TOTALS			11	5	16	22	24	

Unless otherwise stated rank of Regular assistance will be;
For Major Units: Majors and WO 1
For Minor Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

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REORGANIZED MILITIA ORDER OF BATTLE
CENTRAL ONTARIO AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Toronto Militia HQ	TORONTO	College St until Moss Park ready						Regular assistance and administration to be provided by HQ Central Ont Area
2	Hamilton Militia HQ	HAMILTON	James St Armoury						Regular assistance and administration to be provided by HQ Central Ont Area
3	GGHG	TORONTO	Denison Armoury	X		1	1	2	To train as recce
4	Grey & Sim For	OWEN SOUND	Armoury	X		1	2	3	One WO to be WO2
5	B Sqn	BARRIE	Armoury						
6	C Sqn	MIDLAND	Armoury						
7	Ont R	OSHAWA	Armoury	X		1	1	2	
8	QY Rang	TORONTO	Armoury	X		1	2	3	To train as recce; One WO to be WO2
9	B Sqn	NEWMARKET	York Manor rented						
10	C Sqn	AURORA	Armoury						
11	8 Fd Regt	HAMILTON	James St Armoury	X		2	2	3	One Offr to be Captain One WO to be WO2
12	102 Fd Bty	DUNDAS	Armoury						
13	10 Fd Bty	ST CATHERINES	Lake St Armoury						
14	171 Fd Bty	FORT ERIE	Rented Factory						
15	172 Fd Bty	NIAGARA FALLS	Armoury						
16	29 Fd Regt	TORONTO	Richmond St Until Moss Park ready	X		1	1	2	
17	49 Fd Regt	SAULT STE MARIE	Armoury	X		1	1	2	
18	2 Fd Engr Regt	TORONTO	Fort York	X		1	1	2	
19	8 Fd Sqn	NORTH BAY	Hutted Armoury		X	1	1		
20	2 Sig Regt	TORONTO	College St until Moss Park ready	X		1	1	2	
21	Tp	NEWMARKET	York Manor rented						

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
22	1 Indep Sig Sqn	HAMILTON	James St Armoury		X	1	1		
23	3 QOR of C	TORONTO	Richmond St until Moss Park ready	X		1	1	2	
24	R Regt of C	TORONTO	Fort York	X		1	1	2	
25	RHLI	HAMILTON	James St Armoury	X		1	1	2	
26	Linc & Welld R	ST CATHERINES	Lake St Armoury	X		1	2	3	One WO to be WO2
27	C Coy	FORT ERIE	Rented Factory						
28	D Coy	NIAGARA FALLS	Armoury						
29	Lorne Scots	BRAMPTON	Armoury	X		2	2	3	One Offr to be Capt; One WO to be WO2
30	A Coy	PORT CREDIT	Cdn Arsenals Building						
31	B Coy	OAKVILLE	Armoury						
32	C Coy	GEORGETOWN	Armoury						
33	D Coy	ORANGEVILLE	Former Church						
34	48 Highrs	TORONTO	Fort York until Moss Park ready	X		1	1	2	
35	Alq R	NORTH BAY	Hutted Armoury	X		2	2	3	Former Armoured Unit to be Infantry One Offr to be Capt; one WO to be WO2
36	A Sqn	KAPUSKASING	DOT hut						
37	B Sqn	KIRKLAND LAKE	Post Office						
38	C Sqn	HAILEYBURY	Former Arena						
39	D Sqn	TIMMINS	Former Arena						
40	A & S HC	HAMILTON	James St Armoury	X		1	1	2	
41	Lake Sup Scot R	PORT ARTHUR	Armoury	X		1	2	3	One WO to be WO2
42	A Coy	FORT WILLIAM	Lodge Hall						
43	C Coy	ATITOKAN	Federal Bldg						

REORGANIZED MILITIA ORDER OF BATTLE

CENTRAL ONTARIO AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
44	Tor Scot R	TORONTO	Fort York	X		1	1	2	
45	IR RC	TORONTO	Fort York	X		1	1	2	
46	Inf Bn	SUDBURY	Rented Hall	X		1	1	2	
47	1 Toronto Service Bn	TORONTO	Denison Armoury	X		2	1	2	One Offr to be Capt
48	Two Coys RCASC	TORONTO	Denison Armoury				1		WO to be WO2
49	Two Sqns RCEME	TORONTO	Denison Armoury				1		WO to be WO2
50	2 Toronto Service Bn	TORONTO	College St until Moss Park ready	X		2	1	2	One Offr to be Capt
51	26 Med Coy	TORONTO	College St until Moss Park ready				1		WO to be WO2
52	Two Coys RCOC	TORONTO	College St until Moss Park ready				1		WO to be WO2
53	2 Pro Coy	TORONTO	College St until Moss Park ready				1		One WO to be WO2
54	Pl	MARKHAM							
55	Hamilton Service Bn	HAMILTON	James St Armoury	X		2	1	2	One Offr to be Captain
56	133 Coy RCASC	HAMILTON	James St Armoury				1		WO to be WO2
57	16 Med Coy	HAMILTON	James St Armoury				1		WO to be WO2
58	4 Ord Coy	HAMILTON	James St Armoury				1		WO to be WO2
59	Sqn RCEME	HAMILTON	James St Armoury						
60	Port Arthur Service Bn	PORT ARTHUR	Armoury	X		2	1	2	One Offr to be Captain
61	138 Coy RCASC	PORT ARTHUR	Armoury				1		WO to be WO2
62	17 Med Coy	PORT ARTHUR	Armoury				1		WO to be WO2

REORGANIZED MILITIA ORDER OF BATTLE

CENTRAL ONTARIO AREA (Continued)

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
63	35 Tech	PORT ARTHUR	Armoury				1		WO to be WO2
64	13 Med Coy	OWEN SOUND	Armoury		X		1		
65	Central Comd Med Advisory Staff	See Remarks	See Remarks	—	—	—	—	—	To consist of one Colonel and one clerk. Location according to availability of most suitable officer.
66	Central Comd Dental HQ	See Remarks	See Remarks	—	—	—	—	—	Location according to availability of personnel. To consist of one Colonel, 2IC, Adjt QM, dental assistant and dental storeman. One dental officer and one dental assistant to be attached to each major unit.
67	30 Tech Sqn	ST CATHARINES	Lake St Armoury		X	1	1		
68	33 Tech Sqn	SUDBURY	Rented Factory		X	1	1	1	
69	Two Tps	ESPANOLA	Rented Community Hall						
70	34 Tech Sqn	SAULT STE MARIE	Armoury		X	1	1		
71	Central Comd Ch Unit	OAKVILLE	HQ Central Comd						Administered by HQ Central Comd
72	2 Int Trg Coy	TORONTO	College St						Regular assistance and administration to be provided by HQ Central Ont Area
73	Central Ontario Personnel Selection Det	OAKVILLE	HQ Central Ont Area						
74	Northern Ontario Militia Advisor	SAULT STE MARIE	Armoury						
75	TOTALS			25	6	37	49	58	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO1
For Minor Units: Capts and WO2
For all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

EASTERN ONTARIO AREA

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				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Eastern Ontario Militia HQ	OTTAWA or KINGSTON	HQ Eastern Ont Area						Regular Assistance and Administration to be provided by staff of HQ Eastern Ont Area
2	R de Hull	HULL	Armoury	X		1	1	2	
3	30 Fd Regt	OTTAWA	HMCS CARLETON	X		1	1	2	
4	3 Sig Regt	OTTAWA	Signals Armoury Cartier St	X		1	1	2	
5	Sqn	KEMPTVILLE	Armoury						
6	GGFG	OTTAWA	Drill Hall Cartier Square	X		1	1	2	
7	PWOR	KINGSTON	Armoury	X		1	1	2	
8	Hast & PER	BELLEVILLE	Armoury	X		2	2	3	One Offr to be a Captain One WO to be a WO 2
9	B Coy	MADOC	Armoury						
10	D Coy	PICTON	Armoury						
11	Coy	NAPANEE	Armoury						
12	Brock Rif	BROCKVILLE	Armoury	X		1	1	2	
13	L & R Scot R	PEMBROKE	Armoury	X		1	2	3	One WO to be WO 2
14	A Coy	RENFREW	Armoury						
15	C Coy	CARLETON LACE	Armoury						
16	SD & C Highrs	CORNWALL	Armoury	X		1	1	2	
17	CH of O	OTTAWA	Drill Hall Cartier Square	X		1	1	2	
18	Prince of Wales Rangers	PETERBOROUGH	Armoury	X		1	2	3	One WO to be WO 2
19	Coy	LINDSAY	Armoury						
20	Coy	COBOURG	Armoury						

REORGANIZED MILITIA ORDER OF BATTLE

EASTERN ONTARIO AREA (Continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
21	Ottawa Service Battalion	OTTAWA	Wallace House	X		2	1	2	One Offr to be a Captain
22	130 Coy RCASC	OTTAWA	Wallace House				1		WO to be WO2
23	10 Med Coy	OTTAWA	Wallace House				1		
24	3 Ord Coy	OTTAWA	Wallace House				1		
25	Pro Pl	OTTAWA	Wallace House				1		
26	28 Tech Sqn	PETERBOROUGH	Armoury		X	1	1		
27	Eastern Ontario Area Pers Selection Det	OTTAWA or KINGSTON	HQ Eastern Ont Area						Regular Assistance and Administration to be provided by staff of HQ Eastern Ont Area
28	TOTALS			12	1	15	20	27	

Unless otherwise stated rank of Regular assistance will be:

For Majors Units: Majors and WO1
For Minor Units: Capts and WO1
For all types of Units: S Sgt or Sgt

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WESTERN QUEBEC AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Montreal Militia HQ	MONTREAL	HQ Quebec Comd						Regular Assistance and Administration to be provided by staff of HQ Quebec Command
2	Sherbrooke Militia HQ	SHERBROOKE	Armoury Belvedere St						Regular Assistance and Administration to be provided by staff of HQ Quebec Command
3	TRR	TROIS RIVIERES	Armoury 574 St Francois	X		1	1	2	
4	RCH	MONTREAL	Armoury 4185 Cote des Neiges	X		1	2	3	
5	A Sqn	ST JOHN	Armoury						
6	B Sqn	LONGUEUIL	Armoury						
7	27 Fd Regt	COWANSVILLE	Armoury	X		1	2	3	
8	24 Fd Bty	GRANBY	Drill Hall						
9	35 Fd Bty	FARNHAM	Drill Hall						
10	5 Fd Bty	MONTREAL	Craig St Armoury		X	1	1	1	
11	46 Fd Regt	DRUMMONDVILLE	Armoury	X		1	2	3	
12	72 Fd Bty	COATICOOK	Armoury						
13	73 Fd Bty	VICTORIAVILLE	Hangar						
14	62 Fd Regt	SHAWINIGAN	Armoury	X		1	1	2	
15	2 Fd Bty	MONTREAL	Craig St Armoury		X	1	1		
16	3 Fd Engr Regt	WESTMOUNT	Armoury 1-3 Hillside	X		1	1	2	
17	9 Fd Sqn	NORANDA	Former Church		X	1	1		
18	57 Fd Sqn	ST HILAIRE	Leased Armoury		X	1	1		
19	15 Indep Sig Sqn	WESTMOUNT	Armoury 1-3 Hillside		X	1	1		
20	14 Indep Sig Sqn	SHERBROOKE	Armoury Belvedere St		X	1	1		
21	CGG	MONTREAL	Armoury 4171 Esplanade	X		1	1	2	

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION	REGULAR ASSISTANCE			REMARKS
				MAJOR MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
22	3 RHC	MONTREAL	Armoury 2067 Bleury	X	1	1	2	
23	4 R22eR (CHATEAUGUAY-MAISONNEUVE)	MONTREAL	Armoury 4600 Lacombe	X	2	2	3	
24	A & B Coys	MONTREAL NORTH	Armoury 760 St Zotique					
25	Coy	VALLEYFIELD	Leased Armoury					
26	Coy	ST JEROME	Armoury					
27	6 R22eR	ST HYACINTHE	Armoury	X	1	1	2	
28	A Coy	ST JOHN	Armoury					
29	Fus MR	MONTREAL	Armoury 3721 Henri-Julien	X	1	1	2	
30	Fus de Sher	SHERBROOKE	Armoury Belvedere St	X	1	1	2	
31	RMR	MONTREAL	Armoury 4625 St Catherine St W	X	1	1	2	
32	D Coy	STE ANNE DE BELLEVUE	Leased Drill Hall					
33	Firt Montreal Service Bn	MONTREAL	BEL AIR Armoury	X	2	1	2	One Offr to be a Capt
34	Coy RCASC	MONTREAL	BEL AIR Armoury			1		WO to be a WO 2
35	Coy 1 Med Bn	MONTREAL	BEL AIR Armoury			1		WO to be a WO 2
36	A Coy 3 Ord Bn	MONTREAL	BEL AIR Armoury			1		WO to be a WO 2
37	A Sqn 2 Tech Regt	MONTREAL	BEL AIR Armoury			1		WO to be a WO 2
38	P1 3 Pro Coy	MONTREAL	BEL AIR Armoury			1		WO to be a WO 2
39	Second Montreal Service Bn	MONTREAL	Craig St Armoury	X	2	1	2	One Offr to be a Capt

REORGANIZED MILITIA ORDER OF BATTLE

WESTERN QUEBEC AREA (continued)

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
	Second Montreal Service Bn continued								
40	Coy RCASC	MONTREAL	Craig St Armoury				1		WO to be a WO2
41	Coy 1 Med Bn	MONTREAL	Craig St Armoury				1		WO to be a WO 2
42	8 Ord Coy	STE THERESE	Craig St Armoury				1		WO to be a WO 2
43	B Sqn 2 Tech Regt	MONTREAL	Craig St Armoury				1		WO to be a WO 2
44	P1 Pro Coy	MONTREAL	Craig St Armoury				1		WO to be a WO 2
45	8 Med Coy	SHERBROOKE	Armoury Belvedere St		X		1		
46	Quebec Comd Med Advisory Staff	See Remarks	See Remarks						To consist of one Colonel and one clerk. Location according to availability of most suitable officer.
47	Quebec Comd Dental HQ	See Remarks	See Remarks						Location according to availability of personnel. To consist of one Colonel, 2 IC, Adjt QM, dental assistant and dental storeman. One dental officer and dental assistant to be attached to each major unit.
48	22 Tech Sqn	CAP de la MADELEINE	Armoury		X	1	1		
49	Que Comd Ch Unit	MONTREAL	HQ Quebec Comd						Regular Assistance and Administration to be provided by staff of HQ Quebec Command.
50	1 Int Trg Coy	MONTREAL	HQ Quebec Comd						Regular Assistance and Administration to be provided by staff of HQ Quebec Command
51	Western Quebec Area Pers Selection Det	MONTREAL	HQ Quebec Comd						Regular Assistance and Administration to be provided by staff of HQ Quebec Command
52	Trois Rivieres Militia Advisor	TROIS RIVIERE	Armoury 574 St Francois						
53	TOTALS			15	8	25	37	35	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO 1
For Minot Units: Capts and WO 2
For all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

EASTERN QUEBEC AREA

APPENDIX 3 to
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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	Eastern Quebec Militia HQ	QUEBEC	HQ Eastern Quebec Area						Regular Assistance and Administration to be provided by staff of HQ Eastern Quebec Area
2	6 Fd Regt (incl 58 and 59 Fd Bty)	LEVIS	Armoury	X		1	2	3	One Offr to be a Capt One WO to be a WO 2
3	80 Fd Bty	MONTMAGNY	Armoury						
4	82 Fd Bty	BEAUPORT	Armoury						
5	10 Fd Sqn	QUEBEC	Grande Allee Armoury		X	1	1		
6	15 Fd Sqn	THETFORD MINES	Post Office & Leased Garage		X	1	1		
7	3 Indep Sig Sqn	QUEBEC	Grande Allee Armoury		X	1	1		
8	R du Sag	CHICOUTIMI	Armoury	X		1	1	2	
9	C Coy	JONQUIERE	Leased Garage						
10	R de Chaud	LEVIS	Armoury	X		2	2	3	One Offr to be a Capt One WO to be a WO 2
11	A Coy	BEAUCEVILLE	Leased Hall						
12	B Coy	LAC MEGANTIC	Armoury						
13	D Coy	ST GEO de BEAUCE	Leased Garage						
14	Fus du St-L	RIMOUSKI	Armoury	X		3	3	3	Two Offrs to be Capts Two WOs to be WO 2
15	A Coy	RIVIERE du LOUP	Armoury						
16	Pl	CABANO	Armoury						
17	B Coy	GASPE	Armoury						
18	Pl	NEW RICHMOND	Armoury						
19	C Coy	MONT JOLI	Armoury (Old Post Office)						
20	D Coy	MATANE	Leased Arena						

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REORGANIZED MILITIA ORDER OF BATTLE

EASTERN QUEBEC AREA (Continued)

APPENDIX 3 to
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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
21	Les Voltigeurs de Quebec Service Bn	QUEBEC	Grande Allee Armoury	X		2	1	2	One Offr to be a Capt
22	Coy RCASC	QUEBEC	Grande Allee Armoury				1		WO to be WO 2
23	7 Med Coy	QUEBEC	Grande Allee Armoury				1		WO to be WO2
24	A Coy 2 Ord Bn	BEAUPORT	Armoury				1		WO to be WO 2
25	42 Tech Sqn	QUEBEC	Grande Allee Armoury				1		WO to be WO 2
26	4 Pro Coy	BEAUPORT	Armoury				1		WO to be WO 2
27	25 Tech Sqn	JONQUIERE	Leased Garage		X	1	1	1	
28	Eastern Quebec Area Pers Selection Det	QUEBEC	HQ Eastern Quebec Area						Regular Assistance and Administration to be provided by staff of HQ Eastern Quebec Area
29	TOTALS			5	4	13	18	14	

Unless otherwise stated rank of Regular assistance will be:

for Major Units: Majors and WO 1
for Minor Units: Capts and WO 2
for all types of Units: S Sgt or Sgt

REORGANIZED MILITIA ORDER OF BATTLE

NEW BRUNSWICK AREA

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	NB Militia HQ	FREDERICTON or SAINT JOHN	HQ NB Area						Regular Assistance and Administration to be provided by staff of HQ NB Area
2	8 CH (M)	SUSSEX	Camp Site	X		1	1	2	
3	C Sqn	SACKVILLE	Garage						
4	3 Fd Regt	SAINT JOHN	Armoury	X		1	2	3	One WO to be WO 2
5	89 Fd Bty	WOODSTOCK	Armoury						
6	90 Fd Bty	FREDERICTON	Armoury						
7	5 Indep Sig Sqn	SAINT JOHN	Armoury		X	1	1		
8	1 RNBR	FREDERICTON	Armoury	X		2	2	3	One Offr to be a Capt One WO to be WO 2
9	B Coy	SAINT JOHN	Armoury						
10	C Coy	GRAND FALLS	Leased Bowling Alley						
11	D Coy	EDMUNDSTON	Leased Store						
12	2 RNBR	BATHURST	Armoury and leased building	X		1	2	3	One WO to be WO 2
13	SP & A Coy	NEWCASTLE	Armoury						
14	C & D Coy	CAMPBELLTON	Armoury						
15	Moncton Service Bn	MONCTON	Armoury	X		2	1	2	One Offr to be a Capt
16	113 Coy RCASC	MONCTON	Armoury				1		WO to be WO 2
17	21 Tech Sqn	MONCTON	Armoury				1		WO to be a WO 2
18	16 Pro Coy	MONCTON	Armoury				1		WO to be WO 2
19	112 Coy RCASC	SAINT JOHN	Armoury		X	1	1		
20	4 Med Coy	SAINT JOHN	Armoury		X		1		WO to be WO 2
21	NB Area Personnel Selection Det	FREDERICTON or SAINT JOHN	HQ NB Area						Regular Assistance and Administration to be provided by staff of HQ NB Area
22	TOTALS			5	3	9	14	13	

Unless otherwise stated rank of Regular assistance will be: For Major Units: Majors and WO 1; For Minor Units: Capts and WO 2; For all types of Units; S Sgt or Sgt.

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REORGANIZED MILITIA ORDER OF BATTLE
NOVA SCOTIA PRINCE EDWARD ISLAND AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	NS/PEI Militia HQ	HALIFAX	HQ NS/PEI Area						Regular assistance and Administration to be provided by HQ NS/PEI Area
2	PEIR	CHARLOTTETOWN	HMCS Queen Charlotte & Wartime Huts	X		1	2	3	To train as recce One WO to be WO 2
3	B Sqn	MONTAGUE	Leased Lodge & Dance Hall						
4	C Sqn	SUMMERSIDE	Armoury						
5	14 Fd Regt	YARMOUTH	Hutted Armoury	X		1	1	2	
6	133 Fd Bty	LIVERPOOL	Hutted Armoury						
7	1 Fd Regt	HALIFAX	Armoury	X		1	1	2	
8	30 Fd Sqn	HALIFAX	Armoury		X	1	1		
9	45 Fd Sqn	SYDNEY	Armoury		X	1	1		
10	5 Sig Regt	CHARLOTTETOWN	HMCS Queen Charlotte	X		1	1	2	
11	Sqn 6 Sig Regt	HALIFAX	Armoury		X	1	1		
12	Pl Fus	HALIFAX	Armoury	X		1	1	2	
13	1 NS Highrs	AMHERST	Armoury	X		2	2	3	One Offr to be Capt One WO to be WO 2
14	A Coy	PICTOU	Armoury						
15	B Coy	SPRINGHILL	Armoury						
16	D Coy	NEW GLASGOW	Armoury						
17	2 NS Highrs	SYDNEY	Hutted Armoury	X		1	2	3	One WO to be WO 2
18	A Coy	GLACE BAY	Armoury						
19	B Coy	NORTH SYDNEY	Armoury						
20	West NSR	ALDERSHOT	Camp Site	X		2	2	3	One Offr to be a Capt One WO to be WO 2
21	Coy	WINDSOR	Leased Civic Bldg						

SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
	West NSR (Cont'd)								
23	C Coy	DEEP BROOK	RCN Hut						
24	D Coy	BRIDGEWATER	Armoury						
25	Two Pls	LUNENBURG	Armoury						
26	The Halifax Rifles Service Bn	HALIFAX	Armoury	X		2	1	2	One Offr to be a Capt
27	100 Coy RCASC	HALIFAX	Armoury				1		WO to be WO 2
28	2 Med Coy	HALIFAX	Armoury				1		WO to be WO 2
29	A Coy 1 Ord Bn	HALIFAX	Armoury				1		WO to be WO 2
30	20 Tech Sqn	HALIFAX	Armoury				1		WO to be WO 2
31	5 Pro Coy	HALIFAX	Armoury				1		WO to be WO 2
32	111 Coy RCASC	SYDNEY	Armoury				1		
33	5 Med Coy	CHARLOTTETOWN	HMCS Queen Charlotte		X	1	1		WO to be WO 2
34	6 Med Coy	SYDNEY	Armoury		X		1		WO to be WO 2
35	Eastern Comd Med Advisory Staff	See Remarks	See Remarks						To consist of one Colonel and one clerk. Location according to availability of most suitable officer.
36	Eastern Comd Dental HQ	See Remarks	See Remarks						Location according to availability of personnel. To consist of one Colonel, 2 IC, Adjt QM, dental assistant and dental storeman. One dental officer and one dental assistant to be attached to each major unit.
37	3 Int Trg Coy	HALIFAX	HQ NS/PEI Area						Regular Assistance and Administration to be provided by staff of HQ NS/PEI Area
38	NS/PEI Personnel Selection Det	HALIFAX	HQ NS/PEI Area						Regular Assistance and Administration to be provided by staff of HQ NS/PEI Area
39	Eastern Comd Ch Unit	HALIFAX	HQ NS/PEI Area						Regular Assistance and Administration to be provided by staff of HQ NS/PEI Area
40	PEI Militia Advisor	CHARLOTTETOWN	HMCS Queen Charlotte						
41	TOTALS			9	5	16	24	22	

Unless otherwise stated rank of Regular assistance will be: For Major Units: Majors and WO 1; For Minor Units: Capts and WO 2;
For all types of Units: S Sgt or Sgt

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REORGANIZED MILITIA ORDER OF BATTLE

NEWFOUNDLAND AREA

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SERIAL	MILITIA GP HQ UNIT OR SUB UNIT	LOCATION	ACCOM-MODATION	UNIT DESIGNATION		REGULAR ASSISTANCE			REMARKS
				MAJOR	MINOR	MAJ/CAPT	WO1/WO2	S SGT/SGT	
1	56 Field R	ST JOHN'S	FORT PEPPERRELL		X	1	1		
2	R Nfld R	ST JOHN'S	FORT PEPPERRELL	X		2	2	3	One Offr to be a Capt One WO to be WO 2
3	A Coy	CORNERBROOK	Armoury						
4	B Coy	GRAND FALLS	Armoury						
5	1 Med Coy	ST JOHN'S	FORT PEPPERRELL		X		1		
6	Pl	CORNERBROOK	Armoury						
7	Nfld Area Personnel Selection Det	ST JOHN'S	HQ Nfld Area						Regular Assistance and Administration to be provided by staff of HQ Nfld Area
8	Nfld Militia Advisor	ST JOHN'S	HQ Nfld Area						
9	TOTALS			1	2	3	4	3	

Unless otherwise stated rank of Regular assistance will be:
For Major Units: Majors and WO1
For Minor Units: Capts and WO2
For all types of Units: S Sgt or Sgt

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Appendix 1 to
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CANADIAN MILITIA BONUS
BASED ON
TRAINING YEAR

RANK		NEW RATE	BLOCK/CAMP	COMPLETION
Pte Recruit	Basic	95.00	20.00	15.00
	Gp 1	107.00	23.00	15.00
	Gp 2	131.00	29.00	15.00
Pte Trained	Basic	99.00	21.00	15.00
	Gp 1	111.00	24.00	15.00
	Gp 2	135.00	30.00	15.00
Pte THR	Basic	116.00	24.00	20.00
	Gp 1	128.00	27.00	20.00
	Gp 2	152.00	33.00	20.00
L/Cpl	Basic	156.00	34.00	20.00
	Gp 1	168.00	37.00	20.00
	Gp 2	192.00	43.00	20.00
Cpl	Basic	164.00	36.00	20.00
	Gp 1	176.00	39.00	20.00
	Gp 2	200.00	45.00	20.00
Sgt	Basic	185.00	40.00	25.00
	Gp 1	197.00	43.00	25.00
	Gp 2	221.00	49.00	25.00
S/Sgt	Basic	210.00	45.00	30.00
	Gp 1	222.00	48.00	30.00
	Gp 2	246.00	54.00	30.00
WO 2	Basic	243.00	52.00	35.00
	Gp 1	255.00	55.00	35.00
	Gp 2	279.00	61.00	35.00
WO 1	Basic	268.00	57.00	40.00
	Gp 1	280.00	60.00	40.00
	Gp 2	304.00	66.00	40.00
Lt		280.00	60.00	40.00
Capt		360.00	80.00	40.00
Major		470.00	105.00	50.00
Lt Col		600.00	135.00	60.00
Col		758.00	172.00	70.00
Brig		985.00	225.00	85.00

EXAMPLE:

A Pte Recruit can, in his first training year, receive a bonus of $95. To obtain this he must complete 6½ day's attendance in each of the three training blocks. This entitles him to $20. per each block or a total of $60. In addition, provided he spends 6 days at summer camp he is entitled to another $20. This makes his total bonus $80. Having met fully these requirements, he receives an additional bonus of $15., which makes the total amount $95.

Appendix 2 to
ANNEX B to
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CANADIAN MILITIA
BONUS SHEET

Attendance Record

Days Completed	Block 1 Date	Block 2 Date	Block 3 Date	Camp Training Date
½	11 Jan 64	2 Apr 64	15 Aug 64	9 Jul 64
1	13 Jan 64	6 Apr 64	17 Aug 64	
1½	19 Jan 64	6 Apr 64	3 Sep 64	10 Jul 64
2	23 Jan 64	19 Apr 64	8 Sep 64	
2½	23 Jan 64	1 May 64	20 Sep 64	11 Jul 64
3	1 Feb 64	3 May 64	29 Sep 64	
3½	3 Feb 64	3 May 64	11 Oct 64	12 Jul 64
4	8 Feb 64	9 May 64	19 Oct 64	
4½	11 Feb 64	15 May 64	27 Oct 64	13 Jul 64
5	19 Feb 64	28 May 64	4 Nov 64	
5½	19 Feb 64	13 Jun 64	11 Nov 64	14 Jul 64
6	26 Feb 64		13 Nov 64	
6½	26 Feb 64		13 Nov 64	15 Jul 64
7	11 Mar 64		1 Dec 64	
7½	17 Mar 64			16 Jul 64
8				
Totals	7½	5½	7	8
Pay Entitlement	45.00	ϕ	45.00	45.00

Regimental Number	B-0000
Rank	Cpl
Surname	Brown
Given Names	Alward Johnson
Civilian Address	000 Xmouth St.
	Ottawa 4, Ont.
Unit	Rush More Rifles

Pay Record Block

Effective Date	Pt 20 No & Yr	Rank & Group	Block Rate of Pay	Completion Rate
1 Dec 63	18/63	Cpl GP 2	45 00	20 00

Completed Days: 28

Audited by Area Paymaster

Date _____ Signature _____

Entitlements & Payments

Entitlement	Amount	Misc Debits MV No	Misc Debits Amount	Balance Due	Payments AR No	Payments Amount
Block 1	45 00	8	5 00	40 00	11	40 00
Block 2	ϕ		ϕ	ϕ		ϕ
Block 3	45 00			45 00	19	45 00
Camp Tng	45 00	46	10 00	35 00	27	35 00
Completion	20 00		ϕ	20 00	28	20 00
Totals	155 00		15 00	140 00		140 00

Miscellaneous

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Appendix 3 to
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CANADIAN MILITIA
BONUS VOUCHER

Voucher Number 11

UNIT RUSH MORE RIFLES

Sheet Number 1

Date 17 Mar. 64

Number	Rank	Name	TRG Summary		Pay Entitlement		Debits			Net amount due		Signature
			Block	Days			MV NO	Amount				
B-0000	CPL	1 Brown AJ	1	7½/8	45	00	8	5	00	40	00	1 AJ Brown
		2										2
		3		/								3
		4		/								4
B-0000	CPL	5 Brown AJ	3	7/8	45	00				45	00	5 AJ Brown *Voucher* No 19
		6		/								6
		7		/								7
		8		/								
		9		/								25
		10		/								26
		11	Form 11″ x 17″									27
		12										28
		13		/								29
				/								30
				/								31
		32		/								32
		33		/								33
B-0000	CPL	34 Brown AJ	Camp	8/8	45	00	46	10	00	35	00	34 AJ Brown *Voucher* No 27
B-0000	CPL	35 Brown AJ	Com-pletion	28/30	20	00				20	00	35 AJ Brown *Voucher* No 28
		36		/								36
		37		/								37
		38		/								38
		TOTALS										

HQ FE NO	Vote	PRI	SA	OBJ	Amount

CLASSIFIED BY | EXAMINED BY FOR TREASURY OFFICER | TOTAL

CAFD

I certify that the members shown on this voucher have performed training as shown: that entitlements are in accordance with their status: and that there are no outstanding charges for kit deficiencies, etc.

Date Commanding Officer

I certify that I have audited this voucher and have found it to be in accordance with unit records and that the amounts shown have been paid and recorded on unit records.

Date Signature

Designation———

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Appendix 1 to
ANNEX C to
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SUMMARY OF COST REDUCTIONS

The present system of reporting Militia costs by categories does not permit the accurate isolation of costs elements within categories. To re-cast the accounts would be a major operation and impossible to undertake because of time limitations. Accordingly the only approach open was to synthesize the Militia Personnel and Maintenance Costs for the Militia giving full effect to the proposed reorganization and compare with the firm figures provided by the Comptroller General for the year 1963-64. Similarly, the rent and maintenance reductions were calculated and compared with the Accommodation Costs for the year 1963-64. The remaining cost categories, i.e. Other Personnel Costs, Other Maintenance, Capital Expenditures and Canadian Army Support of Militia have been assumed to be the same as given for the year 1964. Since cost reductions will also occur in these areas the estimate given below is conservatively stated and will undoubtedly be exceeded.

(*a*) Reductions in Militia Pay	$7,108,000
(*b*) Reduction in Militia Rent	330,573
(*c*) Reductions in Militia Accommodation Cost other than Rent	747,976
Total	$8,186,549

APPENDIX "B"

DEPARTMENT OF NATIONAL DEFENCE POSITION
on the
RECOMMENDATIONS OF THE COMMISSION
on the
REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

1. *Public Relations* Reference—Part I Pages 1-4

(*a*) *Commission Recommendations*

(1) "That a positive public relations programme in support of the activities of the Militia be implemented immediately.

(2) That such a programme be financially supported by federal funds and centrally controlled.

(3) That initially, the establishment and organization of such a programme be placed in the hands of an agency, national in character and competent in its field.

(4) That the present system of one PRO per unit be abandoned as being costly and ineffective. Public relations should be co-ordinated at Area and one regimental officer per unit should be detailed to keep the Area PRO advised of unit activities."

(*b*) *DND Position*

The Department agrees that a positive public relations programme is necessary and that it should be centrally organized and co-ordinated, however, it does not feel that a national agency is necessary or advisable. The Department's Director of Information Services will be charged with the overall responsibility for developing such a programme with the Militia itself. As recommended by the Commission this programme will be co-ordinated in the field at Area level and one regimental officer per unit will be detailed to assist the commanding officer in this function. Area co-ordination will be provided by the appointment within the Militia of two public relations advisers per Area whose task it will be to advise on and co-ordinate public relations activities.

2. *Authority of Commanding Officers* Reference—Part 1 Pages 4-7

(*a*) *Commission Recommendations*

(1) "That authority be delegated to a Militia commanding officer consistent with his responsibilities to his unit and to his community."

(2) In the body of the report the Commission recommended that a commanding officer should be the final authority in decision making in the following areas: Training Programmes; Training Budget; Write-offs of Deficiencies; Special Training and Use of Armouries.

(*b*) *DND Position*

The Department agrees in principle with the Commission on training programmes, write-offs of deficiencies and special training. The regulations regarding use of armouries are also being studied with a view to giving the local commanders increased authority in this connection.

3. *Training* Reference—Part I Pages 7-9

(*a*) *Commission Recommendations*

(1) "That training programmes be designed consistent with the stated objectives and full support in equipment, training areas and personnel be provided by the Regular Forces."

(2) "That weekend training be encouraged in principle, but carried out at the discretion of the commanding officer, who is fully conversant with local conditions."

(*b*) *DND Position*

The Department agrees in principle with this recommendation to the extent that priorities and funds will permit.

4. *Equipment* Reference—Part I Pages 9-11

(*a*) *Commission Recommendations*

(1) "That the possibility of using commercial-type equipment and vehicles be vigorously explored.

(2) That efforts be made to obtain surplus tanks from other NATO countries."

(*b*) *DND Position*

(1) The use of commercial-type equipment by the Militia is being thoroughly studied with a view to improving our position. However, the factors of maintenance, spare parts, cost/effectiveness and life expectancy of commercial equipment have a bearing on the extent to which non-military pattern items can be provided.

(2) The purchase of surplus tanks from NATO countries presents some disadvantages which cannot be properly resolved. Spare parts are usually not available in any quantities for tanks declared surplus; the cost of maintenance and tooling would be prohibitive; Regular Army RCEME tradesmen mechanics would have to be specially trained to carry out repairs on non-standard equipment.

(3) As the new equipment needs of the Regular Army are met, and with a smaller Militia, it is felt that it will be possible to provide more adequate equipment.

5. *Training Aids* Reference—Part I Page 12

(*a*) *Commission Recommendations*

"That the pursuit of an imaginative programme for the development of training aids be fully supported by the Department."

(*b*) *DND Position*

The Department supports the Commission's recommendation.

6. *Training Manuals* Reference—Part I Page 13

(*a*) *Commission Recommendation*

"That great care be given to the preparation of new training manuals."

(*b*) *DND Position*

The Department supports the Commission's recommendation. A programme for increased production of manuals in the French language has also been initiated.

7. *Corps Schools* Reference—Part I Pages 13-14

(*a*) *Commission Recommendations*

(1) "That a concerted effort be made to revive the role of Corps Schools for both officers and NCOs.

(2) That course schedules be promulgated with firm dates at the beginning of the training year and that each unit receive a copy of the course manual."

(*b*) *DND Position*

Militia courses will be conducted at Corps Schools whenever there is a requirement and a sufficient number of candidates can attend. A system will be initiated to notify all units, well in advance, of all such courses.

8. *Regular Army Increments* Reference — Part I Pages 15-16
Part II Pages 10-11

Regular Army Support

(*a*) *Commission Recommendations*

(1) "That a system of Regular Force personnel attached to Militia units replace the present Regular Army instructional pools and call-outs under CAO 94-2. This would require approximately 197 majors and/or capts, 274 WO 1s and/or WO 2s, and 274 s sgts and/or sgts."

(2) "That Regular units should be responsible for providing courses and attachments for Militia personnel."

(*b*) *DND Position*

(1) The Department agrees that the Militia should receive Regular Force training and administrative support and this will be achieved in the following way:

(*a*) Militia units are to have an affiliation to the extent possible with the nearest Regular Army unit for advice and assistance.

(*b*) Officers, warrant officers and non-commissioned officers of the Instructional Cadre are to be based on Regular units, schools or depots with the responsibility of conducting courses, examinations and summer training for the Militia.

(*c*) Trained orderly room and stores personnel of the Regular Army are to support Militia units and the present Call-outs will be gradually phased out of Militia units.

(*d*) Administrative staff officers are to be appointed on a full time basis in Areas to assist units in organizing their administration and to ensure that a high standard is maintained. It should be made clear that these officers would not merely "advise" but would help units in solving administrative problems.

9. *Physical Fitness* Reference — Part I Pages 16-17

(*a*) *Commission Recommendation*

"That more emphasis be placed on physical standards and militiamen be stimulated to take a personal interest in their own physical fitness."

(*b*) *DND Position*

The Commission's proposal is supported.

10. *Suggested Promotion Ages* Reference—Part 1 Page 18
Part II Page 14

(*a*) *Commission Recommendation*

(1) As stated in Parts I and II of the Commission's Report, officers and NCOs serving in combatant units should be qualified for and promoted to the respective ranks prior to attaining the following suggested ages:

Lieutenants	Age 26	Junior NCO	Age 26
Captains	Age 29	Senior NCO	Age 32
Majors	Age 34	WO 2	Age 37
Lieutenant-Colonels	Age 37	WO 1	Age 40

(2) The retirement age for officers and NCOs in technical and service units should conform with Regular Army practice.

(*b*) *DND Position*

(1) The Commission recommendation is agreed with in principle. The ages proposed for combatant units are being revised to the following:

Lieutenants	Age 26	Junior NCO	Age 26
Captains	Age 29	Senior NCO	Age 32
Majors	Age 36	WO 2	Age 37
Lieutenant-Colonels	Age 40	WO 1	Age 40

(2) The Commission proposal that the retirement age for officers and NCOs in technical and service units should conform to Regular Army practice is agreed with.

(3) Implementation of this recommendation will be carried out in such a manner as to avoid undue disorganization within Militia units.

11. *Recognition Badges* Reference—Part I Pages 18-19

(*a*) *Commission Recommendation*

"That badges marking significant achievement should be awarded to all militiamen on obtaining the requisite qualifications."

(*b*) *DND Position*

The advent of trades and specialty training will mean that Militia personnel may qualify to wear the appropriate trade badges as worn in the Regular Army.

12. *Uniforms* Reference—Part I Pages 19-20

(*a*) *Commission Recommendations*

(1) "That there should be no distinction between the Regular Force uniform and those issued to the Militia.

(2) That recovery of kit procedures be simplified and costed at a depreciated value to eliminate its obvious evils."

(*b*) *DND Position*

(1) The Department already issues uniforms identical to those of the Regular Army to the Militia, except for those items which either could not be issued or were issued on a restricted basis for budgetary reasons.

(2) Recovery of kit procedures are under continuous review, to keep them as simple as possible consistent with public property accounting requirements. Review will continue in an endeavour to simplify recovery as recommended by the Commission.

13. *Employment as Cadet Training officers* Reference—Part I Page 22

(a) *Commission Recommendations*

"That those officers who have demonstrated ability as instructors be employed as cadet training officers, where possible."

(b) *DND Position*

The Commission's recommendation is supported.

14. *Administration* Reference—Part I Pages 23-24

(a) *Commission Recommendations*

(1) "That a complete review of the present administrative procedures be carried out with a view to eliminating costly practices and give commanding officers more authority.

(2) That units as far as their involvement with administration is concerned, be on a modified field return basis."

(b) *DND Position*

(1) The Department agrees that a review of present administrative procedures is necessary. Steps are being taken with a view to streamlining pay procedures and giving the commanding officer more authority in the matter of allocation of training time.

(2) When the results of current studies on personnel and pay accounting are known and implemented it is expected that the procedures will be greatly simplified

(3) In addition, the appointment of Administrative Staff Officers in each Area to help Militia units maintain sound administrative practices will go a long way towards eliminating costly practices.

15. *Attestation* Reference—Part I Pages 24-26

(a) *Commission Recommendations*

(1) "That the system of re-engagement every second year be abolished.

(2) That a simple enrolment document be introduced and processed entirely within the unit."

(b) *DND Position*

(1) The department is studying the effects of longer periods of engagement in the reserves.

(2) A simplified enrolment document, to be processed within the unit, is to be adopted.

16. *Boards of Inquiry* Reference—Part I Pages 26-27

(a) *Commission Recommendations*

(1) "That Boards of Inquiry for minor losses, injuries, and the like are not necessary and a commanding officer's certificate should suffice.

(2) That commanding officers be authorized to write off minor losses.

(3) That Regular Army officers, attached to units, be responsible for any necessary Boards of Inquiry being completed in an acceptable form."

(b) *DND Position*

Injuries have potential compensation implications, and seemingly minor losses can have far reaching financial result. Proper investigation is therefore essential for protection of public funds, and militia officers must be trained in this necessary function. Powers of write-off for Militia commanding officers are being studied.

17. *Accounting* Reference—Part I Pages 28-30

(*a*) *Commission Recommendations*

(1) "That the accounting requirements of the Militia unit should be reduced to a reasonable level consistent with funds involved and the rate of turnover.

(2) That Area inspections should be revised to be less frequent and more realistic by a proper balance between inspection costs and the likelihood of serious deficiencies. Sampling with a scheduled number of detailed inspections should satisfy the requirements.

(3) That annual depreciation should be recognized and a system established whereby the percentage of depreciation becomes the write-off authority of the commanding officer."

(*b*) *DND Position*

(1) Studies are being made within the Department to streamline procedures and simplify unit accounting.

(2) Ordnance inspections are designed to balance units accounts and provide advice on QM matters rather than to merely count stores. They will continue to be held at regular intervals, but the possibility of reducing their frequency will be regularly reviewed.

(3) The write-off system is still under review with a view to its improvement.

18. *Pay* Reference—Part I Pages 30-32

(*a*) *Commission Recommendations* Part II Pages 15-16

"The Commission recommends a new Militia pay system based on a "bonus" rather than a "per diem" rate with the idea that it would provide incentive for parade attendance and would substantially reduce administrative paperwork."

(*b*) *DND Position*

(1) The bonus system of pay is an interesting proposal which appears to have considerable merit. There are advantages and disavantages in the system and the Department is studying the proposal with a view to its possible adoption as standard for the Royal Canadian Navy Reserves, the Royal Canadian Air Force Auxiliaries as well as the Militia.

(2) In the meantime everything is being done to streamline pay procedures to relieve the commanding officer of the administrative work load.

19. *Special Expenses* Reference—Part I Pages 32-33

(*a*) *Commission Recommendation*

"That reasonable expenses related to purchase of required kit appropriate to officers, warrant officers and senior NCOs be an allowable income tax deduction."

(*b*) *DND Position*

Under current regulations clothing expense is not an allowable deduction within the Income Tax Act.

20. *Contingency Allowance* Reference—Part I Pages 33-34

(*a*) *Commission Recommendation*

"That Contingency Allowance entitlement should be altered to consist of two payments:

(1) a basic amount payable to major and minor units at the beginning of the training season; and

(2) payment of a bonus in addition, to be determined by over-all efficiency of the unit."

(b) *DND Position*

The Contingency Allowance entitlement will be more closely related to unit strength, participation in training activities and administrative efficiency. Although the allowance is payable in arrears, advances against the allowance are permitted.

21. *Armouries* Reference—Part I Pages 6 and 34
Part II Pages 30-33

(a) *Commission Recommendations*

(1) "That authority for the non-military use of armouries be delegated to a Militia commanding officer consistent with his responsibilities to his unit and to his community.

(2) That the present administrative system for control of armouries be revised with a view to making it more efficient and that a greater degree of authority be delegated to commanding officers in the sphere of public use of these facilities.

(3) That a study of Militia accommodation be made in Vancouver, Kimberley, Sudbury, Arvida, Matane and St-Georges de Beauce, with a view to improving the accommodation situation by building a new armoury in each of these localities."

(b) *DND Position*

(1) The present administrative system for control of armouries is currently under study to determine the extent and latitude of authority Militia commanding officers may be given.

(2) Armoury construction programs will be studied in conjunction with the Commission's recommendations and the overall priorities respecting allocation of funds.

(3) After reorganization of the Militia has been completed, the whole accommodation situation within the Services will be reexamined with a view to achieving maximum effectiveness.

22. *Composite Stores, Orderly Rooms and Messes* Reference—Part I Page 15

(a) *Commission Recommendation*

"That, where savings in space and personnel are required, composite stores, orderly rooms and messes be established."

(b) *DND Position*

The Department supports this recommendation.

23. *Disposal of Surplus Army Buildings* Reference—Part I Pages 35-36

(a) *Commission Recommendations*

(1) "That, where practicable, facilities declared surplus be leased to communities at a nominal rate with the understanding that they become immediately available in the event of an emergency.

(2) That, in the case of facilities declared surplus to requirements and disposed of by sale, the monies resultant remain under the control of the Department."

(b) *DND Position*

Retention of surplus buildings and arranging to lease them would create a considerable administrative burden. The Department therefore considers it advisable to dispose of any property for which there is no foreseeable need.

24. *The Defence Association of Canada* Reference—Part I Pages 37-38

(a) *Commission Recommendations*

(1) "That the present Conference of Defence Associations be re-designated the Defence Association of Canada and function as such after the annual conference of Defence Associations in January, 1965.

(2) That delegates to the Defence Association of Canada be appointed on a representational basis from existing units of the reorganized Reserves and that this representation be limited to serving officers or to honorary colonels or honorary lieutenant colonels, or equivalent appointments, and to serving presidents and secretaries of Corps Associations.

(3) That Corps Associations be self-supporting.

(4) That the re-designated Defence Association of Canada be the recipient of the present total allocation of funds and that it assume the control and responsibility for its disbursement."

(b) *DND Position*

This recommendation is being referred to the Conference of Defence Associations for study and comment.

25. *Major and Minor Units* Reference—Part I Pages 20-21
Part II Pages 6-7

(a) *Commission Recommendation*

(1) "That classification of units as major or minor will provide inherent incentive advantages."

(2) In the body of the report the Commission recommends at Part II Page 6, that the designation of units as major or minor be dependent on effective strengths as determined on change of command.

(b) *DND Position*

The Department agrees with the Commission's recommendations.

26. *Militia Headquarters and Militia Advisers* Reference—Part II Pages 7-10

(a) *Commission Recommendation*

"That the present 27 Militia Group Headquarters be replaced by 15 Militia Headquarters and five militia advisers."

(b) *DND Position*

The closer relationship between the Regular Army and the Militia after organization will eliminate the need for Militia headquarters. Nineteen militia advisers (four brigadiers and 15 colonels) will be appointed across the country.

27. *Call-Outs* Reference—Part II Pages 11-12

(a) *Commission Recommendation*

"That, as the Regular Army increment will make the appointment of Call-outs, redundant, personnel affected should, on termination of

employment, be given terminal leave equal to one month's pay for each year of service."

(*b*) *DND Position*

(1) All Call-outs under CAO 94-2 and Permanent Orderly Room and Quartermaster Assistants will be phased out as trained Regular Army personnel become available. Phasing out of Call-outs will take several months.

(2) Call-outs will be given a minimum of three months notice including 30 days of terminal leave.

28. *Qualifications* Reference—Part II Pages 12-14

(*a*) *Commission's Views* (Not carried forward into recommendations). Their views detail qualifications for officers, WOs, NCOs and Militiamen, excluding trades qualifications.

(*b*) *DND Position*

The Department agrees with the commission on qualifications.

29. *Trades Qualifications* Reference—Part II Page 15

(*a*) *Commission Recommendation*

"That similar civilian trade qualifications be recognized for Militia Trades-pay."

(*b*) *DND Position*

The Commission's recommendation is supported, subject to regulations already in effect permitting such recognition.

30. *The Young Militiamen Programme* Reference—Part II Pages 16-18

(*a*) *Commission Recommendation*

"That the Young Soldiers Training Programme be re-designated the Young Militiaman Programme and that the potential advantages inherent in the Programme, both to the Militia and the Youth of the country, be vigorously pursued."

(*b*) *DND Position*

The Department agrees that this Programme will continue. Inasmuch as three of the four commands use the term "Student Militia", and as it best describes the type of individual wanted in the programme, its use is agreed as the standard designation. Actual training methods will be decided at the local command level and more stringent selection of candidates will be made.

31. *Manning Depots and Personnel Selection Units* Reference—Part II Pages 18-20

(*a*) *Commission Recommendation*

"That Manning Depots and Personnel Selection Units be disbanded."

(*b*) *DND Position*

The Commission's recommendation is agreed to and will be implemented.

32. *Canadian Officers' Training Corps* Reference—Part II Page 21

(*a*) *Commission Recommendation*

(1) "That university students, before being accepted as COTC candidates, should be accepted by a Militia unit.

(2) That, when commissioned, they should fulfil a voluntary commitment to serve with a Militia unit.

(3) That, unless there exists a satisfactory flow from COTC to Militia units, the COTC plan be abolished."

(*b*) *DND Position*

(1) A closer relationship between the COTC and the Militia will be fostered to facilitate and encourage a greater flow of graduates to Militia units.

(2) COTC graduates are required to sign a commitment for Militia service after graduation. The present follow-up system is being improved.

33. *Canadian Women's Army Corps* Reference—Part II Pages 22-23

(*a*) *Commission Recommendation*

(1) "That the CWAC be continued and their recruitment in units be encouraged.

(2) That promotion of CWAC personnel be a unit responsibility.

(3) That before promotion to Senior NCO rank and again before being commissioned, CWAC personnel be required to attend at least one summer concentration of their Corps."

(*b*) *DND Position*

The Department agrees with this recommendation. Certain positions within the unit establishment may be filled by CWAC personnel at the commanding officer's discretion.

34. *Medical Units* Reference—Part II Pages 22-24

(*a*) *Commission Recommendation*

(1) "That, where applicable, medical units should continue and form part of the Service Battalion.

(2) That medical advisory staff comprising one colonel and a clerk on the basis of one per Command should be authorized and located in Command Headquarters."

(*b*) *DND Position*

Medical units will form part of the Service Battalion. The Regular Force senior medical officer at Command Headquarters will assume advisory responsibilities on behalf of the Medical Services.

35. *Royal Canadian Dental Corps* Reference—Part II Pages 24-25

(*a*) *Commission Recommendation*

(1) "That a Dental Headquarters be established in each Command.

(2) That a dental officer and one dental assistant be attached to each major unit.

(3) That dental officers now serving who become surplus to requirements be posted to the Special List."

(*b*) *DND Position*

(1) Dental needs will be met by a dental officer and dental assistant carried on the establishment of each major unit.

(2) The Regular Force senior dental officer at Command Headquarters will assume advisory responsibility on behalf of the dental services.

36. *Le Régiment de Hull* Reference—Part II Page 25

(*a*) *Commission Recommendation* (Not carried forward into summary of recommendations).

"That for administrative and training purposes this unit should come under Eastern Ontario Area."

(*b*) *DND Position*

There does not appear to be any material advantage to placing this unit under Eastern Ontario Area, therefore Le Regiment de Hull will remain under command of Quebec Command.

37. *Supplementary Order of Battle* Reference—Part II Page 26

(*a*) *Commission Recommendation*

"That units removed from the current Order of Battle should be transferred and held in the listing to be known as the Supplementary Order of Battle."

(*b*) *DND Position*

This recommendation will be implemented.

38. *Special List* Reference—Part I Pages 21-22
Part II Page 27

(*a*) *Commission Recommendation*

(1) "That efficient officers retired for age only should be posted to a Special List, where they will be held available for assignment to static units and staff positions related to Internal Security and Survival, if required.

(2) That officers, especially those with specialist or technical qualities, retired for reasons of age, be encouraged to transfer to the Special List."

(*b*) *DND Position*

The Department agrees with this recommendation and is implementing it in conjunction with the supplementary reserve.

39. *Service Battalions* Reference—Part II Page 28

(*a*) *Commission Recommendation*

"That Service Battalions be constituted in larger cities and that these bear the name of the city."

(*b*) *DND Position*

This recommendation will be implemented in conjunction with the reorganization of the Militia.

40. *Special Units* Reference—Part II Pages 28-30

(*a*) *Commission Recommendation*

(1) "That experimental sub-units be formed in selected units to train in guerilla warfare and related activities as a special force in the Militia.

(2) That the formation of an emergency reserve similar to British "Ever Readies" should be initiated when it is apparent that Regular Army resources are overextended."

(*b*) *DND Position*

This recommendation will be considered after the reorganization has been completed.

41. *Transportation* Reference—Part II Pages 33-34

(*a*) *Commission Recommendation*

"That where necessary and advantageous, transportation should be provided to carry Militiamen to and from parades."

(*b*) *DND Position*

This recommendation will be implemented wherever suitable public transportation is not available. The authority will rest with the General Officer Commanding.

42. *Control* Reference—Part II Page 34

(*a*) *Commission Remarks* (Not carried forward into summary of recommendations).

"The Commission hopes that the Militia as reorganized will be found to be a flexible organization which can be increased or decreased in size and cost as prevailing conditions require. The instrument of control will be found in the size of establishments of major or minor units rather than in the disbandment and organization of units. The requirement of allowing each community in the country to make its proportionate contribution makes the proposed system imperative. As reorganized, by controlling the size of establishments, the Militia can be expanded to meet almost any foreseen requirements or can be reduced to minimum requirements without hardship to any community."

(*b*) *DND Position*

The Department agrees in principle with the Commission's remarks, subject to the stipulations that unproductive units may have to be disbanded and/or new units formed when required.

43. *Establishments—Present and Reorganized Militia Order of Battle* Reference—Part I Pages 20-21 Part II Appendices 1, 2 & 3 to Annex A

(*a*) *Commission Recommendation*

"That Militia unit establishments be reduced to a reasonably obtainable total."

(*b*) *DND Position*

The Department agrees with this recommendation.

44. *Summary of Cost Reduction* Reference—Part II Page (lxxxiii)

(*a*) *Commission Remarks*

(Not carried forward into summary of recommendations).

(1) The present system of reporting Militia costs by categories does not permit the accurate isolation of costs elements within categories. To re-cast the accounts would be a major operation and impossible to undertake because of time limitations. Accordingly the only approach open was to synthesize the Militia Personnel and Maintenance Costs for the Militia giving full effect to the proposed reorganization and compare with the firm figures provided by the Comptroller General for the year 1963-64. Similarly, the rent and maintenance reductions were calculated and compared with the Accommodation Costs for the year 1963-64. The remaining cost categories, i.e. Other Personnel Costs, Other Maintenance, Capital Expenditures and Canadian Army Support of Militia have been as-

sumed to be the same as given for the year 1964. Since cost reductions will also occur in these areas the estimate given below is conservatively stated and will undoubtedly be exceeded:

(*a*) Reductions in Militia Pay	$7,108,000
(*b*) Reductions in Militia Rent	330,573
(c) Reductions in Militia Accommodation Cost Other than Rent ..	747,976
TOTAL	$8,186,549

(*b*) *DND Position*

After reorganization is complete, savings in an average fiscal year on personnel and operating costs should be $8,776,639, broken down as follows:

	1963-64	Proposed	Estimated Savings	Remarks
Militia Pay	$14,863,113	$9,161,184	$5,701,929	Based on present per diem system with recommended bonus system still under study.
Other Personnel Costs (grants, allowances, clothing, food, medical and transportation)	3,169,000	2,554,500	614,500	
Rentals	492,000	139,813	352,187	Reflects decisions to date closing accommodation. Remainder is still under study.
Other Accommodation Costs (including owned property)	4,727,620	4,166,597	561,023	
Other Maintenance Costs (stationery, barrack stores, miscellaneous stores, spare parts, repairs, gas, oil, ammunition, etc)	2,919,000	2,122,000	797,000	
Canadian Army Regular Support Costs	8,669,000	7,919,000	750,000	
Total	34,839,733	26,063,094	8,776,639	

APPENDIX "C"

REORGANIZATION

of the

CANADIAN ARMY (MILITIA)

GLOSSARY OF TERMS

1. AMALGAMATION	The combining of two or more units or sub-units to form one entity.
2. CONVERSION	Transfer of a unit from one corps to another, ie, from RCA to RCAC, or change of role of a unit within its corps, ie, to change an armoured regiment RCAC to a reconnaissance regiment RCAC.
3. DISBANDMENT	Action whereby a headquarters or unit ceases to exist as an entity of the Militia.
4. RELOCATION	To change the geographical location of a unit or sub-unit.
5. ORDER OF BATTLE	List of active units of the Militia grouped by Comd, Area, Location or Corps.
6. TRANSFER TO SUPPLEMENTARY ORDER OF BATTLE	Transfer of a unit or sub-unit from the list of active units to the list of inactive units.

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

BRITISH COLUMBIA AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ABBOTSFORD	152 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
PORT ALBERNI	D Company, The Canadian Scottish Regiment (Princess Mary's) RCIC	Relocate to parent unit in Victoria	Agreed
ARMSTRONG	Platoon, C Company, The Rocky Mountain Rangers RCIC	Relocate to Salmon Arm with C Company	Agreed
CAMPBELL RIVER	Platoon, C Company, The Canadian Scottish Regiment (Princess Mary's) RCIC	Relocate to parent unit at Courtenay	Will relocate to parent unit at Victoria
CHILLIWACK	22 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
COURTENAY	C Company, The Canadian Scottish Regiment (Princess Mary's) RCIC	Remains in Order of Battle	Agreed and will relocate to parent unit in Victoria
DUNCAN	A Company, The Canadian Scottish Regiment (Princess Mary's) RCIC	Relocate to parent unit at Victoria	Agreed
KAMLOOPS	The Rocky Mountain Rangers RCIC (less A, B, C and D Companies)	Remains in Order of Battle	Agreed
KELOWNA	The British Columbia Dragoons RCAC (less Headquarters, A and C Squadrons)	Headquarters relocate to Vernon. B Squadron remains at Kelowna	Agreed and to train in the reconnaissance role
LADNER	85 Field Battery RCA	Remains in Order of Battle	Agreed
MERRITT	Mortar Platoon, The Rocky Mountain Rangers RCIC	Remains in Order of Battle	Agreed
MISSION CITY	B Company, The Westminster Regiment RCIC	Relocate to Abbotsford	Agreed
NANAIMO	B Company, The Canadian Scottish Regiment (Princess Mary's) RCIC	Remains in Order of Battle	Agreed
	C Squadron The British Columbia Regiment RCAC	Relocate to parent unit at VANCOUVER	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

BRITISH COLUMBIA AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
NELSON	111 Battery RCA	Transfer to Supplementary Order of Battle	Agreed
NEW WESTMINSTER	The Westminster Regiment RCIC (less one Company)	Remains in Order of Battle	Agreed
PENTICTON	C Squadron The British Columbia Dragoons RCAC	Remains in Order of Battle	Agreed
POWELL RIVER	C Company, Irish Fusiliers of Canada (The Vancouver Regiment) RCIC	Relocate to parent unit at VANCOUVER	Agreed and will transfer to Supplementary Order of Battle
PRINCE GEORGE	A Company, The Rocky Mountain Rangers RCIC	Remains in Order of Battle	Agreed
PRINCE RUPERT	D Company, Irish Fusiliers of Canada (The Vancouver Regiment) RCIC	Relocate to parent unit at VANCOUVER	Agreed and will transfer to Supplementary Order of Battle
QUESNEL	Platoon, B Company, The Rocky Mountain Rangers RCIC	Relocate to KAMLOOPS with parent B Company	Agreed
REVELSTOKE	D Company, The Rocky Mountain Rangers RCIC	Remains in Order of Battle	Agreed
SALMON ARM	C Company, The Rocky Mountain Rangers RCIC	Remains in Order of Battle	Agreed
TRAIL	24 Field Artillery Regiment RCA with 109 Field Battery (less 111 Field Battery)	Transfer to Supplementary Order of Battle	Agreed
	44 Field Squadron	Remains and relocate one troop to NELSON	Agreed
VANCOUVER	The British Columbia Regiment (Duke of Connaught's Own) RCAC (less C Squadron)	Remains in Order of Battle (to train in reconnaissance role)	Agreed
	15 Field Artillery Regiment RCA with 31, 158, 209 and 210 Field Batteries (less 85 Field Battery)	Remains in Order of Battle	Agreed but 210 Battery will transfer to Supplementary Order of Battle
	156 Company RCASC	Remains in Order of Battle	Agreed and will be a part of the VANCOUVER Service Battalion

VANCOUVER	7 Field Engineer Regiment RCE (less 6, 22 and 44 Field Squadron)	Transfer to Supplementary Order of Battle	Agreed
	West Coast Signal Regiment RC Sigs	Regiment less one squadron (3 Area Signal Squadron) transfer to Supplementary Order of Battle	Agreed
	8 Ordnance Battalion RCOC	8 Ordnance Battalion less one company, transfer to Supplementary Order of Battle	Agreed and will be a part of the VANCOUVER Service Battalion
	8 Technical Regiment RCEME	8 Technical Regiment less one squadron transfer to Supplementary Order of Battle	Agreed and will be a part of the VANCOUVER Service Battalion
	8 Provost Company C PRO C	Remains in Order of Battle	Agreed and will be a part of the VANCOUVER Service Battalion
	111 Manning Depot	Disband	Agreed
	24 Militia Group Headquarters	Disband. To be replaced by British Columbia Militia Headquarters at VANCOUVER	24 Militia Group Headquarters will disband and will be replaced by one Militia Adviser in the rank of Colonel
	The Seaforth Highlanders of Canada RCIC	Remains in Order of Battle	Agreed
	Irish Fusiliers of Canada (The Vancouver Regiment) RCIC (less C and D Companies)	Remains in Order of Battle	The Irish Fusiliers of Canada (The Vancouver Regiment) RCIC will transfer to Supplementary Order of Battle
	24 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the Vancouver Service Battalion VANCOUVER Service Battalion
	61 Dental Unit RCDC	Disband	Agreed
	4 Intelligence Training Company C INT C	Remains in Order of Battle	Agreed
NORTH VANCOUVER	6 Field Squadron RCE	Remains in Order of Battle	Agreed
VERNON	27 Militia Group Headquarters	Disband. To be replaced by British Columbia Area Interior Militia Adviser	Agreed, one British Columbia Area Interior Militia Adviser will be appointed in the rank of Colonel
	Headquarters Squadron The British Columbia Dragoons RCAC	Remains in Order of Battle	Agreed
	A Squadron, The British Columbia Dragoons RCAC	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

BRITISH COLUMBIA AREA (Concluded)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
VICTORIA	5 Independent Medium Battery RCA	Convert to 5 Field Battery of 15 Field Artillery Regiment RCA	Agreed
	25 Militia Group Headquarters	Disband	Agreed
	5 Area Signal Squadron RC Sigs	Transfer to Supplementary Order of Battle	Agreed
	The Canadian Scottish Regiment (Princess Mary's) RCIC (less A, B, C, and D Companies)	Remains in Order of Battle	Agreed
	155 Company RCASC	Remains in Order of Battle	Agreed
	40 Technical Squadron RCEME	Transfer to Supplementary Order of Battle	Agreed
	Army Photo Intelligence Section	Transfer to Supplementary Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

ALBERTA AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
BANFF	23 Medium Battery of 19 Medium Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
BASSANO	Troop of 13 Field Squadron RCE	Relocate with parent unit at Brooks	Agreed
BEAUMONT	Troop of 95 Medium Battery of 20 Medium Artillery Regiment RCA	Relocate to 20 Field Artillery Regiment at Edmonton	Agreed
BLAIRMORE	31 Technical Squadron RCEME	Transfer to Supplementary Order of Battle	Agreed
BOW ISLAND	1 and 2 Troops of C Squadron The South Alberta Light Horse RCAC	Relocate to parent unit in Medicine Hat	Agreed
BROOKS	13 Field Squadron RCE (less two troops)	Remains in Order of Battle and to be an independent squadron	Agreed
CALGARY	A Squadron, 9 Technical Regiment RCEME	Transfer to Supplementary Order of Battle	Agreed
	Troop of 13 Field Squadron RCE	Relocate with parent squadron at Brooks	Agreed
	The King's Own Calgary Regiment (RCAC)	Remains. B Squadron to be located at High River	Agreed to remain in the Order of Battle. B Squadron to remain in Calgary
	22 Militia Group Headquarters	Disband. To be replaced by Calgary Militia Headquarters	Agreed and to be replaced by one Militia Adviser in the rank of Colonel for the Area
	19 Medium Artillery Regiment RCA with 91 Medium Battery (less 23 and 78 Medium Batteries)	Transfer to Supplementary Order of Battle	Agreed
	7 Independent Signal Squadron	Remains in Order of Battle	Agreed
	The Calgary Highlanders RCIC (less A, C and D Companies)	Remains in Order of Battle	Agreed and to locate a company at High River
	Headquarters 7 Column RCASC	Transfer to Supplementary Order of Battle	Agreed
	150 Company RCASC	Remains in Order of Battle	Agreed and will be a part of the Calgary Service Battalion

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

ALBERTA AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
CALGARY	21 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the Calgary Service Battalion
	Alberta Detachment of Western Command Dental Advisery Staff	Dental headquarters remains in Order of Battle and to be located according to availability of personnel	Dental Advisery Staff will not be included in the Reorganized Militia
	59 Dental Unit RCDC	Disband	Agreed
	6 Ordnance Company RCOC	Remains in Order of Battle	Agreed and will be a part of the Calgary Service Battalion
	14 Provost Company C Pro C	Remains in Order of Battle	Agreed and will be a part of the Calgary Service Battalion
	110 Manning Depot	Disband	Agreed
CAMROSE	Troop of 19th Alberta Dragoons RCAC	Remains in Order of Battle	This troop will be transferred to the Supplementary Order of Battle
CRESTON	Troop of 17 Field Squadron RCE	Relocate with parent unit at Kimberley	Agreed
DAWSON CREEK, BC	Machine Gun Platoon, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Relocate with parent unit at Edmonton	Agreed
DELIA	Platoon of The Calgary Highlanders RCIC	Relocate with parent unit at Hanna	Agreed
DEVON	Troop of D Squadron, 19th Alberta Dragoons RCAC	Relocate to parent squadron at Wetaskawin	This troop will be transferred to the Supplementary Order of Battle
DRUMHELLER	C Company, The Calgary Highlanders RCIC	Remains in Order of Battle	Agreed
EDMONTON	19th Alberta Dragoons RCAC	Remains In Order of Battle	To be transferred to Supplementary Order of Battle
	8 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	38 Technical Squadron RCEME	Remains in Order of Battle	Agreed and to be a part of the Edmonton Service Battalion

EDMONTON	20 Medium Artillery Regiment RCA with 95 and 96 Medium Batteries (less one troop)	Converts to Field Regiment and remains in Order of Battle	Agreed
	23 Militia Group Headquarters	Disband. To be replaced by Edmonton Militia Headquarters	Agreed to disband. One Militia Adviser will be appointed in the rank of Brigadier from within the Command
	25 Field Squadron RCE	Remains in Order of Battle and to be an independent squadron	Agreed
	The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC (less A, D and E Companies)	Remains in Order of Battle	Agreed
	154 Company RCASC	Remains in Order of Battle	Agreed and will be a part of the Edmonton Service Battalion
	23 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the Edmonton Service Battalion
	60 Dental Unit RCDC	Disband	Agreed
	One company of 7 Ordnance Battalion RCOC	7 Ordnance Battalion less one company transfer to Supplementary Order of Battle. One company remains in Order of Battle in Edmonton	Agreed and will be a part of the Edmonton Service Battalion
	15 Provost Company C Pro C	Remains in Order of Battle	Agreed and will be a part of the Edmonton Service Battalion
	6 Intelligence Training Company C INT C	Remains in Order of Battle	Agreed
	Western Command Chaplain Unit RCAChC	Remains in Order of Battle	Agreed
	Western Command Personnel Selection Unit	Disband. To be replaced by Alberta Area Personnel Selection Unit	Agreed to disband but Personnel Selection Detachment will not be organized
	116 Manning Depot	Disband	Agreed
	Alberta Detachment of Western Command Medical Advisery Staff	To consist of one Colonel and a clerk. Located according to availability	Medical Advisery Staffs will not be included in the Reorganized Militia
FORT MACLEOD	93 Field Battery RCA	Remains in Order of Battle	Agreed
FORT SASKATCHEWAN	Troop of 19th Alberta Dragoons RCAC	Relocate with parent unit at Edmonton	This troop will be transferred to the Supplementary Order of Battle
FORT SMITH NWT	E Company, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Relocate with parent unit at Edmonton	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

ALBERTA AREA (Concluded)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
GLEICHEN	A Squadron, The King's Own Calgary Regiment (RCAC)	Remains in Order of Battle	Agreed
GRANDE PRAIRIE	D Company, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Remains in Order of Battle	Agreed
HANNA	D Company, The Calgary Highlanders RCIC	Remains in Order of Battle	Agreed
HIGH RIVER	153 Company RCASC (less two platoons)	Transfer to Supplementary Order of Battle	Agreed. A Company of The Calgary Highlanders will be located here.
INNISFAIL	Troop of The King's Own Calgary Regiment (RCAC)	Relocate to parent unit at Calgary	Agreed
KIMBERLEY and CRANBROOK, BC	17 Field Squadron RCE	Remains in Order of Battle and to locate one troop in Blairmore	Agreed but a troop will not be organized in Blairmore
LETHBRIDGE	Headquarters, 8 Field Engineer Regiment RCE	To become 8 Field Engineer Regiment RCE and remain in Order of Battle	To remain as a Headquarters
	33 Field Squadron RCE	To remain in Order of Battle at Lethbridge with 8 Field Engineer Regiment RCE	Agreed and to be under command of Headquarters 8 Field Engineer Regiment RCE
	18 Field Artillery Regiment with 20 and 39 Field Batteries RCA	Remains in Order of Battle	Agreed
	32 Technical Squadron RCEME	Remains in Order of Battle	To transfer to the Supplementary Order of Battle
MEDICINE HAT	The South Alberta Light Horse RCAC	Remains in Order of Battle	Agreed
	Two platoons CWAC of 153 Company RCASC	Relocate to parent unit High River and transfer to Supplementary Order of Battle	Agreed
OLDS	Troop, The King's Own Calgary Regiment (RCAC)	Remains in Order of Battle	Agreed

PEACE RIVER	Anti-tank platoon, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Relocate with parent unit at Edmonton	Agreed
PONOKA	22 Medical Company RCAMC	Transfer to Supplementary Order of Battle	Agreed
RED DEER	C Squadron, The King's Own Calgary Regiment (RCAC)	Relocate to parent unit at Calgary	Agreed
	78 Medium Battery RCA	Convert to Field Artillery and remain at Red Deer as part of 20 Field Artillery Regiment	Agreed
RED DEER	151 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
STRATHMORE	Troop, The King's Own Calgary Regiment (RCAC)	Relocate to parent squadron at Gleichen	Agreed
VEGREVILLE	Platoon, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Relocate with parent company at Vermilion	Agreed
VERMILION	A Company, The Loyal Edmonton Regiment (3rd Battalion Princess Patricia's Canadian Light Infantry) RCIC	Remains in Order of Battle	Agreed
VULCAN	A Company, The Calgary Highlanders RCIC	Remains in Order of Battle	Agreed
WETASKIWIN	D Squadron, 19th Alberta Dragoons RCAC	Remains in Order of Battle	To transfer to the Supplementary Order of Battle
	Operating Troop, 8 Independent Signal Squadron RC Sigs	Relocate with parent unit at Edmonton	Agreed
WHITEHORSE	The Yukon Regiment RCIC	Not considered by the commission	To remain in the Order of Battle as a Minor Unit

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

SASKATCHEWAN AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
CANORA	B Troop, 202 Field Battery of 53 Field Artillery Regiment RCA	Relocate to parent unit in Yorkton and transfer to Supplementary Order of Battle	Agreed
ESTEVAN	The South Saskatchewan Regiment RCIC (less A Company)	Remains in Order of Battle as a Minor unit	Agreed
FORT QU'APPELLE	B Company, The Regina Rifle Regiment RCIC	Remains in Order of Battle	Agreed
GRENFELL	65 Field Battery of 10 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
INDIAN HEAD	76 Field Battery RCA	Remains in Order of Battle	Agreed
KAMSACK	B Troop, 64 Field Battery RCA of 53 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
KINDERSLEY	D Company, 2nd Battalion, The North Saskatchewan Regiment (The Saskatoon Light Infantry) RCIC	Relocate to parent unit at Saskatoon	To remain in Order of Battle in Kindersley
LLOYDMINSTER	C Company, 1st Battalion, The North Saskatchewan Regiment (The Prince Albert and Battleford Volunteers) RCIC	Remains in Order of Battle	Agreed
MAPLE CREEK	B Squadron, 14th Canadian Hussars RCAC	Remains in Order of Battle	Agreed
MELFORT	B Company, 1st Battalion The North Saskatchewan Regiment (The Prince Albert and Battleford Volunteers) RCIC	Remains in Order of Battle	Agreed
MELVILLE	162 Field Battery of 53 Field Artillery Regiment RCA	Remains in Order of Battle	To relocate to parent unit at Yorkton and transfer to Supplementary Order of Battle
MOOSE JAW	The Saskatchewan Dragoons RCAC	Remains in Order of Battle	Agreed
	Two platoons of 19 Medical Company RCAMC	Remains in Order of Battle	Agreed

MOOSE JAW	Transport Platoon of 142 Company RCASC	Remains in Order of Battle	Agreed
MOOSOMIN	K Troop, 76 Field Battery RCA	Relocate to parent battery at Grenfell	Agreed
NORTH BATTLEFORD	A Company, 1st Battalion, The North Saskatchewan Regiment (The Prince Albert and Battleford Volunteers) RCIC	Remains in Order of Battle	Agreed
PRINCE ALBERT	1st Battalion, The North Saskatchewan Regiment (The Prince Albert and Battleford Volunteers) RCIC (less A, B and C Companies)	Remains in Order of Battle	Agreed
	44 Independent Medium Artillery Battery RCA	Remains in Order of Battle	Agreed, and to convert to Field Artillery
RADISSON	Recovery Troop, 37 Technical Squadron RCEME	Relocate to parent squadron at Saskatoon	Agreed
	20 Militia Group Headquarters	Disband. To be replaced by Saskatchewan Militia Headquarters	Agreed and to be replaced by one Militia Adviser for Saskatchewan Area in the rank of Colonel
	10 Field Artillery Regiment RCA with 18 Field Battery RCA (less 65 and 76 Field Batteries RCA)	Remains in Order of Battle	Agreed
	14 Field Squadron RCE	Remains in Order of Battle	Agreed
	2 Independent Signal Squadron RC Sigs (less one Operating Troop)	Remains in Order of Battle	Agreed
	The Regina Rifle Regiment RCIC (less B Company)	Remains in Order of Battle	Agreed
	142 Company RCASC (less one Transport Platoon)	Remains in Order of Battle	Agreed and will be a part of the Regina Service Battalion
	19 Medical Company RCAMC (less two platoons)	Remains in Order of Battle	Agreed and will be a part of the Regina Service Battalion
	58 Dental Unit RCDC	Disband	Agreed
	5 Ordnance Company RCOC	Remains in Order of Battle	Agreed and will be a part of the Regina Service Battalion
	109 Manning Depot	Disband	Agreed
ROSETOWN	C Company, 2nd Battalion, The North Saskatchewan Regiment (The Saskatoon Light Infantry) RCIC	Relocate to parent unit at Saskatoon	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

SASKATCHEWAN AREA (Concluded)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
SASKATOON	21 Militia Group Headquarters	Disband. To be replaced by Northern Saskatchewan Militia Adviser	Agree to disband. One Militia Adviser only will be appointed for Saskatchewan Area
	21 Independent Medium Artillery Battery RCA	Transfer to Supplementary Order of Battle	Agreed
	Operating Troop of 2 Independent Signal Squadron RC Sigs	Relocate to parent unit at Regina	Agreed
	2nd Battalion, The North Saskatchewan Regiment (The Saskatoon Light Infantry) RCIC (less C and D Companies)	Remains in Order of Battle	Agreed
	20 Medical Company RCAMC	Remains in Order of Battle	Agreed
	37 Technical Squadron RCEME	Remains in Order of Battle	Agreed and will be a part of the Service Battalion
SHAUNAVON	C Squadron, 14th Canadian Hussars RCAC	Relocate to parent unit at Swift Current	Agreed
SWIFT CURRENT	14th Canadian Hussars RCAC (less B and C Squadrons)	Remains in Order of Battle	Agreed
WEYBURN	A Company, The South Saskatchewan Regiment RCIC	Relocate to parent unit at Estevan	Agreed
YORKTON	53 Field Artillery Regiment RCA with 64 Field Battery RCA (less B Troop and 162 Field Battery RCA)	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

MANITOBA AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
BRANDON	26 Field Artillery Regiment (Self Propelled) RCA (less 38 and 70 Field Batteries (Self Propelled)	Remains. 71 Field Battery to be located at Brandon also	Agreed and "Self Propelled" to be deleted from unit title
	141 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
DAUPHIN	70 Field Battery (Self Propelled) RCA	Remains in Order of Battle	Agreed
EMERSON	D Troop of 17 Field Battery (Self Propelled) RCA	Relocate to parent unit at Winnipeg and transfer to Supplementary Order of Battle	Agreed
FLIN FLON	21 Field Squadron RCE	Remains in Order of Battle	Agreed
MINNEDOSA	A Squadron, 12th Manitoba Dragoons (RCAC)	Transfer to Supplementary Order of Battle. To be replaced by Field Battery of 26 Field Artillery Regiment (Self Propelled) RCA	Agreed. A Field Battery of 26 Field Regiment is to be organized to be split between Minnedosa and Neepawa
NEEPAWA	C Squadron, 12th Manitoba Dragoons (RCAC)	Transfer to Supplementary Order of Battle To be replaced by 38 Field Battery of 26 Field Artillery Regiment (Self Propelled) RCA	Agreed. A Field Battery of 26 Field Regiment is to be organized to be split between Minnedosa and Neepawa
PINE FALLS	46 Field Squadron RCE	Remains in Order of Battle	Agreed
PORTAGE LA PRAIRIE	38 Field Battery (Self Propelled) RCA	Relocate to Neepawa	To remain in Portage La Prairie
VIRDEN	12th Manitoba Dragoons (RCAC) (less A and C Squadrons)	Transfer to Supplementary Order of Battle To be replaced by a Field Battery of 26 Field Artillery Regiment (Self Propelled) RCA	Agreed
WINNIPEG	6 Column RCASC (less three companies)	Transfer to Supplementary Order of Battle	Agreed
	140 Company RCASC	Remains in Order of Battle	Agreed and will be a part of the Winnipeg Service Battalion
	143 Company RCASC	Transfer to Supplementary Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

MANITOBA AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
WINNIPEG	5 Intelligence Training Company C Int C	Remains in Order of Battle	Agreed
	13 Provost Company C Pro C	Remains in Order of Battle	Agreed and will be a part of the Winnipeg Service Battalion
	6 Field Engineer Regiment RCE (less 12, 21 and 46 Field Squadrons)	Transfer to Supplementary Order of Battle	Agreed
	12 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
	10 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	The Royal Winnipeg Rifles RCIC	Remains in Order of Battle	Agreed
	39 Field Artillery Regiment (Self Propelled) RCA with 13, 17 and 19 Field Batteries RCA (less one troop)	Transfer to Supplementary Order of Battle	Agreed
	The Winnipeg Grenadiers RCIC	Transfer to Supplementary Order of Battle	Agreed
	The Queen's Own Cameron Highlanders of Canada RCIC	Remains in Order of Battle	Agreed
	18 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the Winnipeg Service Battalion
	57 Dental Unit RCDC	Disband	Agreed
	6 Ordnance Battalion RCOC	6 Ordnance Battalion RCOC less one company transfer to Supplementary Order of Battle	Agreed and company will be a part of the Winnipeg Service Battalion
	7 Technical Regiment RCEME	7 Technical Regiment RCEME less one squadron transfer to Supplementary Order of Battle	Agreed and squadron will be a part of the Winnipeg Service Battalion
	108 Manning Depot	Disband	Agreed
	19 Militia Group Headquarters	Disband. To be replaced by the Manitoba Militia Headquarters	Agreed. To be replaced by one Militia Adviser in the rank of Colonel
	The Fort Garry Horse (Militia) RCAC	Remains. One squadron to be located at Portage La Prairie	To remain in Order of Battle but a squadron is not to be located at Portage La Prairie

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

WESTERN ONTARIO AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
BRANTFORD	56 Field Artillery Regiment (Dufferin and Haldimand Rifles) RCA (less 69 and 169 Field Batteries)	Remains in Order of Battle	Agreed
CHATHAM	2nd Battalion, The Essex and Kent Scottish RCIC (less D Company)	To remain and organize a company at Sarnia	1st and 2nd Battalions The Essex and Kent Scottish will amalgamate and be located at Chatham and Windsor. Battalion Headquarters will be located at Windsor.
FERGUS	16 Field Battery RCA	Relocate with parent unit at Guelph	Agreed
GALT	The Highland Light Infantry of Canada RCIC	Transfer to Supplementary Order of Battle. Infantry Battalion to be formed from amalgamation of The Highland Light Infantry of Canada RCIC and The Scots Fusil of Canada RCIC. New battalion to be located at Galt with two companies in Kitchener	Amalgamation agreed
GUELPH	11 Field Artillery Regiment RCA (less 16 Field Battery RCA)	Remains in Order of Battle	Agreed
	C, D and G Sections of 6 Provost Company C Pro C	Commission did not consider	Remain in Order of Battle
INGERSOLL	One platoon of 3rd Battalion, The Royal Canadian Regiment (London and Oxford Fusiliers) RCIC	Relocate to parent company at Woodstock	Agreed
KITCHENER	48 Field Squadron RCE	Relocate to Galt	To remain in Kitchener
	137 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
	12 Medical Company RCAMC	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

WESTERN ONTARIO AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
KITCHENER	The Scots Fusiliers of Canada RCIC	Transfer to Supplementary Order of Battle. Infantry Battalion to be formed from amalgamation of The Highland Light Infantry of Canada RCIC and The Scots Fusiliers of Canada RCIC. New battalion to be located at Galt with two companies at Kitchener	Amalgamation agreed
LEAMINGTON	D Company, 1st Battalion The Essex and Kent Scottish RCIC	Relocate with parent unit at Windsor	Agreed
LISTOWEL	100 Field Battery RCA	Remains in Order of Battle	Agreed
LONDON	1st Hussars RCAC	Remains in Order of Battle	Agreed and to locate one squadron in Sarnia
	3rd Battalion The Royal Canadian Regiment (London and Oxford Fusiliers) RCIC (less A and B Companies)	Remains and to organize a company at Stratford	Agreed
	12 Field Battery RCA	Transfer to Supplementary Order of Battle	Agreed
	4 Column RCASC (less 137 Company)	4 Column RCASC less one company transfer to Supplementary Order of Battle. Company remains at London	Agreed and will be a part of the London Service Battalion
	6 Provost Company C Pro C (less C, D and G Sections)	Remains in Order of Battle	Agreed and will be a part of the London Service Battalion
	107 Manning Depot	Disband	Agreed
	18 Militia Group Headquarters	Disband. To be replaced by Western Ontario Militia Headquarters	Agreed and will be replaced by one Militia Adviser in the rank of Colonel for the Area
	15 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be part of the London Service Battalion
	55 Dental Unit RCDC	Disband	Agreed

LONDON	9 Signals Regiment RC Sigs	9 Signal Regiment RC Sigs less one squadron transfer to Supplementary Order of Battle; squadron to remain in London	Agreed
	5 Ordnance Battalion RCOC	5 Ordnance Battalion RCOC less one company transfer to Supplementary Order of Battle. Company to remain in London	Agreed and will be a part of the London Service Battalion
	7 Field Squadron RCE	Remains in Order of Battle	Agreed
	11 Field Engineer Regiment RCE (less 7, 11 and 48 Field Squadrons)	Transfer to Supplementary Order of Battle	Agreed
PARIS	169 Field Battery RCA	Relocate with parent unit at Brantford	Agreed
SARNIA	7 Field Artillery Regiment RCA (less 12 and 48 Field Batteries)	Transfer to Supplementary Order of Battle	Agreed
	11 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
SIMCOE	69 Field Battery RCA	Remains in Order of Battle	Agreed
STRATFORD	The Perth Regiment RCIC (less Support Company)	Transfer to Supplementary Order of Battle	Agreed
ST MARY'S	Support Company, The Perth Regiment RCIC	Transfer to Supplementary Order of Battle	Agreed
ST THOMAS	The Elgin Regiment (RCAC)	Remains in Order of Battle	Agreed and will train in the reconnaissance role
WALKERTON	97 Field Battery RCA	Remains in Order of Battle	Agreed
WALLACEBURG	D Company, 2nd Battalion The Essex and Kent Scottish RCIC	Relocate with parent unit at Chatham	Agreed
WATFORD	48 Field Battery RCA	Transfer to Supplementary Order of Battle	Agreed
WINDSOR	39 Technical Squadron RCEME	Remains in Order of Battle	Agreed
	26 Militia Group Headquarters	Disband	Agreed
	14 Medical Company RCAMC	Transfer to Supplementary Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

BRITISH COLUMBIA AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
WINDSOR	The Windsor Regiment (RCAC)	Remains in Order of Battle	Agreed
	1st Battalion, The Essex and Kent Scottish RCIC (less D Company)	Remains in Order of Battle	1st and 2nd Battalions The Essex and Kent Scottish RCIC will amalgamate and be located at Chatham and Windsor. Battalion Headquarters will be located at Windsor
WINGHAM	21 Field Artillery Regiment RCA (less 97 and 100 Field Batteries)	Remains in Order of Battle	Agreed
WOODSTOCK	A and B Companies, 3rd Battalion The Royal Canadian Regiment (London and Oxford Fusiliers) RCIC	Remains in Order of Battle	Agreed
		Western Ontario Personnel Selection Detachment to be organized at London	Personnel Selection Detachment will not be organized

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

CENTRAL ONTARIO AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ANCASTER	A Company, The Royal Hamilton Light Infantry (Wentworth Regimant) RCIC	Relocate with parent unit at Hamilton	Agreed
ATIKOKAN	C Company, The Lake Superior Scottish Regiment RCIC	Remains in Order of Battle	Relocate to Port Arthur
AURORA	C Squadron, The Queen's York Rangers (1st American Regiment) (RCAC)	Remains in Order of Battle	Agreed
BARRIE	B Squadron, The Grey and Simcoe Foresters (RCAC)	Remains in Order of Battle	Agreed
BRAMPTON	The Lorne Scots RCIC (less four companies)	Remains in Order of Battle	Agreed
CAMP BORDEN	G and H Sections of 2 Provost Company C Pro C	Remains in Order of Battle	Agreed
COLLINGWOOD	One troop of A Squadron The Grey and Simcoe Foresters (RCAC)	Relocate with parent unit at Owen Sound	Agreed
DUNDAS	102 Field Battery of 8 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
	17 Militia Group Headquarters	Disband. Replace by Hamilton Militia Headquarters	Agreed. Two Area Militia Advisers to be appointed in rank Colonel and one Brigadier as Command Adviser
DURHAM	One troop of A Squadron, The Grey and Simcoe Foresters (RCAC)	Relocate with parent unit at Owen Sound	Agreed
ESPANOLA	Two troops of 33 Technical Squadron RCEME	Remains in Order of Battle	Agreed
FORT ERIE	C Company, The Lincoln and Welland Regiment RCIC	Remains in Order of Battle	Agreed but to relocate to St. Catharines
FORT ERIE	171 Field Battery of 57 Field Artillery Regiment RCA	Remains in Order of Battle. To be part of 8 Field Artillery Regiment RCA	Agreed but as a sub-unit of 57 Field Artillery Regiment RCA
FORT FRANCIS	121 Medium Battery of 40 Medium Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed

REORGALIZATION OF THE CANADIAN ARMY (MILITIA)

CENTRAL ONTARIO AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
FORT WILLIAM	A Company, The Lake Superior Scottish Regiment RCIC	Remains in Order of Battle	Agreed but to relocate to Port Arthur
GEORGETOWN	Company, The Lorne Scots RCIC	Remains in Order of Battle	Agreed
GRIMSBY	D Company, The Argyll and Sutherland Highlanders of Canada (Princess Louise's) RCIC	Relocate with parent unit at Hamilton	Agreed
HAILEYBURY	C Squadron, The Algonquin Regiment (RCAC)	Remains in Order of Battle	Agreed but as a company of infantry
HAMILTON	8 Field Artillery Regiment RCA (less one battery)	Remains in Order of Battle)	Agreed
	18 Field Squadron RCE of 2 Field Engineer Regiment RCE	Transfer to Supplementary Order of Battle	Agreed
	1 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	The Royal Hamilton Light Infantry (Wentworth Regiment) RCIC (less two companies)	Remains in Order of Battle	Agreed
	The Argyll and Sutherland Highlanders of Canada (Princess Louise's) RCIC (less one company)	Remains in Order of Battle	Agreed
	16 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be part of the Hamilton Service Battalion
	133 Company RCASC	Remains in Order of Battle	Agreed
	4 Ordnance Company RCOC	Remains in Order of Battle	Agreed and will be part of the Hamilton Service Battalion
	5 Technical Regiment RCEME	5 Technical Regiment less one squadron transfer to Supplementary Order of Battle. One squadron remains in Hamilton	Agreed and will be part of the Hamilton Service Battalion

KAPUSKASING	A Squadron, The Algonquin Regiment (RCAC)	Remains in Order of Battle. Convert to infantry	Agreed
KENORA	40 Medium Artillery Regiment RCA (less two batteries)	40 Medium Artillery Regiment RCA transfer to Supplementary Order of Battle	Will remain in the Order of Battle as a Minor Unit
KIRKLAND LAKE	One troop of B Squadron, The Algonquin Regiment (RCAC)	Remains in Order of Battle as part of B Squadron	Agreed but as a company of infantry
LAKEVIEW (LONG BRANCH)	2 Signal Squadron of 2 Signal Regiment RC Sigs	Relocate with parent unit at Toronto	Agreed
	A Company, The Lorne Scots (Peel Dufferin and Halton Regiment) RCIC	Remains in Order of Battle	Agreed but to relocate to Brampton
MIDLAND	C Squadron, The Grey and Simcoe Foresters (RCAC)	Remains in Order of Battle	Agreed
MILTON	One platoon of C Company, The Lorne Scots (Peel Dufferin and Halton Regiment) RCIC	Relocate with parent company at Georgetown	Agreed
NEWMARKET	B Squadron, The Queen's York Rangers (1st American Regiment) (RCAC)	Remains in Order of Battle	Agreed
NIAGARA FALLS	172 Field Battery of 57 Field Artillery Regiment RCA	Remains in Order of Battle. To be a part of 8 Field Artillery Regiment RCA	Agreed but as a sub-unit of 57 Field Artillery Regiment RCA
	D Company, The Lincoln and Welland Regiment RCIC	Remains in Order of Battle	Agreed but to relocate to St Catharines
NIAGARA ON THE LAKE	A Company, The Lincoln and Welland Regiment RCIC	Relocate with parent unit at St Catharines	Agreed
NORTH BAY	The Algonquin Regiment (RCAC) (less four squadrons)	Remains in Order of Battle. Convert to Infantry	Agreed
	8 Field Squadron of 2 Field Engineer Regiment RCE	Remains in Order of Battle	Agreed
OAKVILLE	B Company, The Lorne Scots (Peel Dufferin and Halton Regiment) RCIC	Remains in Order of Battle	Agreed
	Central Ontario Area Detachment of Central Command Medical Advisery Staff	To be organized as Central Command Medical Advisery Staff (one Colonel and one clerk)	Medical Advisery Staff will not be included in the Reorganized Militia
	Central Ontario Area Detachment of Central Command Dental Advisery Staff	Disband. Replace by Central Command Dental Headquarters	Agreed but Dental Headquarters will not be included in the Reorganized Militia

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

CENTRAL ONTARIO AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
OAKVILLE	Central Command Chaplain Unit	Remains in Order of Battle	Agreed
ORANGEVILLE	D Company, The Lorne Scots (Peel Dufferin and Halton Regiment) RCIC	Remains in Order of Battle	Agreed but to relocate to Brampton
ORILLIA	One troop of C Squadron, The Grey and Simcoe Foresters (RCAC)	Relocate with parent squadron at Midland	Agreed
OSHAWA	The Ontario Regiment (RCAC)	Remains in Order of Battle	Agreed
OWEN SOUND	The Grey and Simcoe Foresters (RCAC) (less two squadrons)	Remains in Order of Battle	Agreed
	One platoon of 136 Company RCASC of 5 Column RCASC	Relocate with parent company at Toronto	Agreed
	13 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the 1st Toronto Service Battalion
PORT ARTHUR	118 Medium Battery of 40 Medium Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
	The Lake Superior Scottish Regiment RCIC (less two companies)	Remains in Order of Battle	Agreed
	138 Company RCASC	Remains in Order of Battle	Agreed and will be part of the Port Arthur Service Battalion
	17 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be part of the Port Arthur Service Battalion
	35 Technical Squadron RCEME	Remains in Order of Battle	Agreed and will be part of the Port Arthur Service Battalion
	115 Manning Depot	Disband	Agreed
SAULT ST MARIE	49 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
	34 Technical Squadron RCEME	Remains in Order of Battle	Agreed

ST CATHARINES	44 Field Artillery Regiment RCA	44 Field Artillery Regiment RCA less 10 Field Battery transfer to Supplementary Order of Battle. 10 Field Battery RCA remains at St Catharines as part of 8 Field Artillery Regiment RCA	Agreed but 10 Field Battery will remain in St Catharines as a sub-unit of 57 Field Artillery Regiment
	The Lincoln and Welland Regiment RCIC (less four companies)	Remains in Order of Battle	Agreed
	30 Technical Squadron RCEME	Remains in Order of Battle	Agreed
SUDBURY	58 Field Artillery Regiment RCA	Transfer to Supplementary Order of Battle. Replace by a new infantry battalion	58 Field Artillery Regiment RCA will convert to an Infantry Battalion and remain in Sudbury
	33 Technical Squadron RCEME	Remains in Order of Battle	Agreed
TIMMINS	D Squadron, The Algonquin Regiment (RCAC)	Remains in Order of Battle	Agreed, and to convert to infantry
TORONTO	5 Column RCASC	5 Column RCASC less two companies transfer to Supplementary Order of Battle	Agreed and one company will be a part of the 1st Toronto Service Battalion and the other company will be a part of the 2nd Toronto Service Battalion
	The Queen's York Rangers (1st American Regiment) RCAC (less two squadrons)	Remains in Order of Battle	Agreed
	2 Field Engineer Regiment RCE (less two squadrons)	Remains in Order of Battle	Agreed
	The Royal Regiment of Canada RCIC	Remains in Order of Battle	Agreed
	48th Highlanders of Canada RCIC	Remains in Order of Battle	Agreed
	The Toronto Scottish Regiment RCIC	Remains in Order of Battle	Agreed
	The Irish Regiment of Canada RCIC	Remains in Order of Battle	The Irish Regiment of Canada RCIC will be transferred to the Supplementary Order of Battle
	42 Medium Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
	1 Artillery Locating Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
	4 Technical Regiment RCEME	4 Technical Regiment RCEME less two squadrons transfer to Supplementary Order of Battle. Two squadrons remain.	Agreed and one squadron will be a part of the 1st Toronto Service Battalion and the other squadron will be a part of the 2nd Toronto Service Battalion

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

CENTRAL ONTARIO AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
TORONTO	2 Signal Regiment RC Sigs (less one signal squadron) 8 Signal Regiment RC Sigs	Remains in Order of Battle. Signal troop to be organized at Newmarket Transfer to Supplementary Order of Battle	2 and 8 Signal Regiments RC Sigs to be amalgamated as Toronto Signal Regiment RC Sigs and one Signal Troop to be organized at Newmarket
	29 Field Artillery Regiment (Self Propelled) RCA	Remains in Order of Battle	Agreed and "Self Propelled" will be deleted from unit title
	14 Militia Group Headquarters	Disband. Replace by Toronto Militia Headquarters	
	15 Militia Group Headquarters	Disband. A Northern Ontario Militia Adviser to be appointed at Sault Ste Marie	Agreed. Two Area Militia Advisers to be appointed in rank Colonel and one Brigadier as Command Adviser
	16 Militia Group Headquarters	Disband	
	3rd Battalion, The Queen's Own Rifles of Canada RCIC	Remains in Order of Battle	Agreed
	26 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be a part of the 2nd Toronto Service Battalion
	56 Dental Unit RCDC	Disband	Agreed
	4 Ordnance Battalion RCOC	4 Ordnance Battalion RCOC less two companies transfer to Supplementary Order of Battle. Two companies remain in Toronto	Agreed and one company will be a part of the 1st Toronto Service Battalion and the other company will be a part of the 2nd Toronto Service Battalion
	2 Provost Company C Pro C	Remains in Order of Battle. One platoon to be organized at Markham	Agreed and elements of 2 Provost Company will be a part of the 1st and 2nd Toronto Service Battalions. A platoon will not be organized at Markham
	2 Intelligence Training Company C Int C	Remains in Order of Battle	Agreed
	Central Command Personnel Selection Unit	Disband. Replace by Central Ontario Area Personnel Selection Detachment	Agreed but a Personnel Selection Detachment will not be organized
	106 Manning Depot	Disband	Agreed

TORONTO	The Governor General's Horse Guards RCAC	Remains in Order of Battle	Agreed and to train in the reconnaissance role
VIRGINIATOWN	B Squadron, The Algonquin Regiment (RCAC)	Relocate to Kirkland Lake	Agreed, and to convert to infantry
WATERDOWN	B Company, The Royal Hamilton Light Infantry (Wentworth Regiment) RCIC	Relocate with parent unit at Hamilton	Agreed
WELLAND	57 Field Artillery Regiment RCA (less two batteries)	Transfer to Supplementary Order of Battle	57 Field Artillery Regiment RCA will relocate to Niagara Falls and remain in the Order of Battle
	B Company and Pioneer Platoon, The Lincoln and Welland Regiment RCIC	Relocate at Fort Erie	B Company and Pioneer Platoon will remain in Welland

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

EASTERN ONTARIO AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ALEXANDRIA	D Company, Stormont Dundas and Glengarry Highlanders RCIC	Relocate with parent unit at CORNWALL	Agreed
BELLEVILLE	The Hastings and Prince Edward Regiment RCIC (less A, B, C, and D Companies)	Remains in Order of Battle. To organize one company in NAPANEE.	Agreed however, a company will not be formed in NAPANEE
BROCKVILLE	The Brockville Rifles RCIC	Remains in Order of Battle	Agreed
CARLETON PLACE	C Company, The Lanark and Renfrew Scottish Regiment RCIC	Remains in Order of Battle	Agreed
COBOURG	33rd Medium Artillery Regiment RCA (less 47 Medium Battery)	Transfer to Supplementary Order of Battle	To remain in COBOURG as a Battery of 50 Field Artillery Regiment RCA
CORNWALL	Stormont Dundas and Glengarry Highlanders RCIC (less D Company)	Remains in Order of Battle	Agreed
	9 Medical Company RCAMC	Transfer to Supplementary Order of Battle	Agreed
GANANOQUE	3 Independent Medium Artillery Battery RCA	Transfer to Supplementary Order of Battle	Agreed
KEMPTVILLE	Troop, 25 Field Battery of 30 Field Artillery Regiment RCA	Relocate with parent unit at OTTAWA. Replace with Signal Squadron of 3 Signal Regiment RC Sigs	To remain in Order of Battle as a Battery of 30 Field Artillery Regiment RCA
KINGSTON	The Prince of Wales Own Regiment RCIC	Remains in Order of Battle	Agreed
	55 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
KINGSTON	D Platoon 130 Company RCASC	Relocate with parent unit at OTTAWA	Agreed
	11 Medical Company RCAMC	Transfer to Supplementary Order of Battle	Agreed
LINDSAY	45 Field Battery RCA	Transfer to Supplementary Order of Battle	To remain in Order of Battle as battery of 50 Field Artillery Regiment RCA

MADOC	B Company, The Hastings and Prince Edward Regiment RCIC	Remains in Order of Battle	To remain in Order of Battle and to be relocated to BELLEVILLE
MILLBROOK	7 Platoon, C Company The Hastings and Prince Edward Regiment RCIC	Relocate with parent unit a (BELLEVILLE	Agreed
NAPANEE	47 Medium Battery of 33 Medium Artillery Regiment RCA	Transfer to Supplementary Order of Battle. To be replaced by a company, The Hastings and Prince Edward Regiment RCIC	Agreed to transfer to Supplementary Order of Battle. However a company of The Hastings and Prince Edward Regiment will not be formed in NAPANEE
NORWOOD	5 Platoon, B Company, The Hastings and Prince Edward Regiment RCIC	Relocate with parent company at MADOC	To relocate to parent unit at BELLEVILLE
OTTAWA	12 Militia Group Headquarters	Disband. To be replaced by Eastern Ontario Militia Headquarters at OTTAWA or KINGSTON	Agreed, one Militia Adviser in the rank of Colonel will be appointed for Eastern Ontario Area
	Governor General's Foot Guards (5th Battalion, The Canadian Guards) RCIC	Remains in Order of Battle	Agreed
	The Cameron Highlanders of Ottawa RCIC	Remains in Order of Battle	Agreed
	3 Signal Regiment RC Sigs	Remains in Order of Battle To organize a squadron at KEMPTVILLE	Agreed. However a squadron will not be formed at KEMPTVILLE
	3 Field Squadron RCE	Transfer to Supplementary Order of Battle	To remain in Order of Battle in OTTAWA
	4th Princess Louise Dragoon Guards RCAC	Transfer to Supplementary Order of Battle	Agreed
	130 Company RCASC (less D Platoon)	Remains in Order of Battle	Agreed and will be part of the Ottawa Service Battalion
	10 Medical Company RCAMC	Remains in Order of Battle	Agreed and will be part of the Ottawa Service Battalion
	54 Dental Unit RCDC	Disband	Agreed
	3 Ordnance Company RCOC	Remains in Order of Battle	Agreed and will be part of the Ottawa Service Battalion
	113 Manning Depot	Disband	Agreed
	30 Field Artillery Regiment RCA (less one Troop)	Remains in Order of Battle	Agreed
PEMBROKE	The Lanark and Renfrew Scottish Regiment RCIC (less A, C and D Companies)	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

EASTERN ONTARIO AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
PERTH	D Company, The Lanark and Renfrew Scottish Regiment RCIC	Relocate with parent unit in PEMBROKE	Agreed
PETERBOROUGH	13 Miltia Group Headquarters	Disband	Agreed
	50 Field Artillery Regiment RCA	Transfer to Supplementary Order of Battle. To be replaced by new Infantry Battalion Prince of Wales Rangers with Headquarters at PETERBOROUGH and one company each at LINDSAY and COBOURG	To remain in Order of Battle with Batteries located at LINDSAY and COBOURG
PETERBOROUGH	28 Technical Squadron RCEME	Remains in Order of Battle	Agreed and will be part of the Ottawa Service Battalion
PICTON	D Company, The Hastings and Prince Edward Regiment RCIC	Remains in Order of Battle	To be relocated to BELLEVILLE
PORT HOPE	C Company, The Hastings and Prince Edward Regiment RCIC	Relocate with parent unit at BELLEVILLE	Agreed
PRESCOTT	C Squadron, 4th Princess Louise Dragoon Guards RCAC	Transfer to Supplementary Order of Battle	Agreed
RENFREW	A Company, Lanark and Renfrew Scottish Regiment RCIC	Remains in Order of Battle	Agreed
SMITHS FALLS	D Squadron, 4th Princess Louise Dragoon Guards RCAC	Transfer to Supplementary Order of Battle	Agreed
TRENTON	A Company, The Hastings and Prince Edward Regiment RCIC	Relocate with parent unit at BELLEVILLE	Agreed
		To organize a platoon of Provost Corps at Ottawa	Platoon will not be organized at Ottawa
		To organize Eastern Ontario Area Personnel Selection Detachment at Ottawa or Kingston	Personnel Selection Detachment will not be organized
		R DE HULL to be placed under command of Central Command (Eastern Ontario Area)	R DE HULL to remain under Quebec Command

REORGANIZATION OF THE CANADIAN (ARMY MILITIA)

QUEBEC COMMAND LESS EASTERN QUEBEC AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ACTONVALE	A Company 6e Bataillon Royal 22e Regiment RCIC	Relocate with parent unit at ST HYACINTHE	Agreed
ASBESTOS/DANVILLE	A Squadron 7/11 Hussars RCAC	Transfer to Supplementary Order of Battle	A Squadron 7/11 Hussars remains in Order of Battle in ASBESTOS as part of the unit resulting from the amalgamation of 7/11 Hussars and The Sherbrooke Regiment (RCAC)
ASBESTOS	58 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
BURY	C Squadron 7/11 Hussars RCAC	Transfer to Supplementary Order of Battle	C Squadron 7/11 Hussars RCAC remains in the Order of Battle in BURY as part of the unit resulting from the amalgamation of 7/11 Hussars and The Sherbrooke Regiment (RCAC)
CAP DE LA MADELEINE	22 Technical Squadron RCEME	Remains in Order of Battle	Agreed
COATICOOK	72 Field Battery of 46 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
COWANSVILLE	27 Field Artillery Regiment RCA (less two Batteries)	Remains in Order of Battle	Agreed
DRUMMONDVILLE	46 Field Artillery Regiment RCA (less two Batteries)	Remains in Order of Battle	Agreed
	101 Provost Platoon C PRO C	Transfer to Supplementary Order of Battle	Agreed
FARNHAM	35 Field Battery of 27 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
GRANBY	24 Field Battery of 27 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
	C Company 4e Bataillon Royal 22e Regiment RCIC	Relocate to St Jerome	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

QUEBEC COMMAND LESS EASTERN QUEBEC AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
HULL	Le Regiment de Hull (RCAC)	Remains in Order of Battle. To be placed under Command of Central Command (Eastern Ontario Area)	Agreed but will remain under command of Quebec Command
JOLIETTE	Le Regiment de Joliette RCIC (less three Companies)	Transfer to Supplementary Order of Battle	Agreed
LACHUTE	131 Field Battery of 37 Field Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
L'EPIPHANIE	C Company Le Regiment de Joliette RCIC	Transfer to Supplementary Order of Battle	Agreed
LONGUEUIL	B Squadron The Royal Canadian Hussars (Montreal) RCAC	Remains in Order of Battle	Agreed
MAGOG	D Company les Fusiliers de Sherbrooke RCIC	Relocate with parent unit at SHERBROOKE	Agreed
MONTREAL	3 Column RCASC (less two Companies)	3 Column RCASC less two companies transfer to Supplementary Order of Battle	Agreed and one company will be part of the 1st Montreal Service Battalion and the other a part of the 2nd Montreal Service Battalion
	3 Ordnance Battalion RCOC (less one Company)	3 Ordnance Battalion less one company transfer to Supplementary Order of Battle	Agreed and company will be a part of the 1st Montreal Service Battalion
	3 Provost Company C PRO C (less two Platoons)	3 Provost Company less two platoons transfer to Supplementary Order of Battle	Agreed and one platoon will be part of the 1st Montreal Service Battalion and the other a part of the 2nd Montreal Service Battalion
	Victoria Rifles of Canada RCIC	Transfer to Supplementary Order of Battle	Agreed
	104 Manning Depot	Disband	Agreed
	1 Intelligence Training Company C INT C	Remains in Order of Battle	Agreed
	Quebec Command Personnel Selection Unit	Disband. To be replaced by Quebec Area Personnel Selection Detachment	Agreed but Personnel Selection Detachment will not be formed

3rd Battalion The Black Watch (Royal Highland Regiment of Canada) RCIC	Remains in Order of Battle	Agreed
The Royal Canadian Hussars (Montreal) RCAC (less two Squadrons)	Remains in Order of Battle	Agreed
34 Field Artillery Regiment RCA	34 Field Artillery Regiment less 5 Field Battery transfer to Supplementary Order of Battle	Agreed
37 Field Artillery Regiment RCA (less one Battery)	Transfer to Supplementary Order of Battle	Agreed
2 Medium Artillery Regiment RCA	2 Medium Artillery Regiment less one Battery transfer to Supplementary Order of Battle	Agreed. The remaining battery will convert to Field Artillery.
3 Artillery Locating Battery RCA	Transfer to Supplementary Order of Battle	Agreed
Le Regiment de Maisonneuve RCIC	Transfer to Supplementary Order of Battle	To remain in Order of Battle
1 Medical Battalion RCAMC	1 Medical Battalion RCAMC less two companies transfer to Supplementary Order of Battle	Agreed and one company will be part of 1st Montreal Service Battalion and the other will be part of 2nd Montreal Service Battalion
53 Dental Unit RCDC	Disband	Agreed
Quebec Command Dental Advisory Staff	Disband, replace by Quebec Command Dental Headquarters	Agreed but no Dental Headquarters will be formed
The Canadian Grenadier Guards RCIC	Remains in Order of Battle	Agreed
Les Fusiliers Mont-Royal RCIC	Remains in Order of Battle	Agreed
11 Signal Regiment RC Sigs	Transfer to Supplementary Order of Battle. To be replaced by 15 Independent Signal Squadron RC Sigs	Agreed
3 Field Engineer Regiment RCE	Remains in Order of Battle	Agreed
4e Bataillon Royal 22e Regiment (Chateauguay) RCIC (less three Companies)	Remains in Order of Battle. To be renamed 4e Bataillon Royal 22e Regiment (Chateauguay-Maisonneuve) RCIC	Agreed but name will not be changed
The Royal Montreal Regiment RCIC (less one Company)	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

QUEBEC COMMAND LESS EASTERN QUEBEC AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
MONTREAL	2 Technical Regiment RCEME	2 Technical Regiment RCEME less two squadrons, transfer to Supplementary Order of Battle	Agreed and one squadron will be part of 1st Montreal Service Battalion and the other will be part of 2nd Montreal Service Battalion
	10 Militia Group Headquarters	Disband. Replace by Montreal Militia Headquarters	Agreed to disband. One Militia Adviser will be appointed in the rank of Brigadier from within the Command.
	A and B Companies Le Regiment de Maisonneuve RCIC	Transfer to Supplementary Order of Battle. To be absorbed by 4e Bataillon Royal 22e Regiment	To remain in Order of Battle
	Quebec Command Chaplain Unit RCAChC	Remains in Order of Battle	Agreed
NORANDA	9 Field Squadron RCE	Remains in Order of Battle	Agreed
RICHMOND	7/11 Hussars RCAC (less three Squadrons)	Transfer to Supplementary Order of Battle	7/11 Hussars RCAC will relocate to SHERBROOKE and amalgamate with The Sherbrooke Regiment RCAC and will train in the reconnaissance role
SHAWINIGAN	62 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
SHERBROOKE	Les Fusiliers de Sherbrooke RCIC (less one Company)	Remains in Order of Battle	Agreed
	14 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	9 Militia Group Headquarters	Disband. Replace by Sherbrooke Militia Headquarters	Agreed. One Colonel only to be appointed as Militia Adviser for Western Quebec
	125 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
	8 Medical Company RCAMC	Remains in Order of Battle	Agreed
	24 Technical Squadron RCEME	Transfer to Supplementary Order of Battle	Agreed

	The Sherbrooke Regiment RCAC	Transfer to Supplementary Order of Battle	The Sherbrooke Regiment RCAC and 7/11 Hussars will amalgamate and will train in the reconnaissance role. Headquarters to be located in SHERBROOKE
STE ANNE DE BELLEVUE	D Company The Royal Montreal Regiment RCIC	Remains in Order of Battle	Agreed
ST HILAIRE	57 Field Squadron RCE	Remains in Order of Battle	To be transferred to Supplementary Order of Battle
ST HYACINTHE	6e Bataillon Royal 22e Regiment RCIC (less two Companies)	Remains in Order of Battle	Agreed
ST JEAN	A Company 4e Bataillon Royal 22e Regiment (Chateauguay) RCIC	Relocate to MONTREAL NORTH	To remain in present location in St Jean
	A Squadron The Royal Canadian Hussars (Montreal) RCAC	Remains in Order of Battle	Agreed
ST JEROME	D Company Le Regiment de Joliette RCIC	Transfer to Supplementary Order of Battle. C Company 4e Bataillon Royal 22e Regiment (Chateauguay) to relocate to St Jerome	Agreed
ST PAUL L'ERMITE	B Company Le Regiment de Joliette RCIC	Transfer to Supplementary Order of Battle	Agreed
THREE RIVERS	11 Militia Group Headquarters	Disband. Replace by Three Rivers Militia Adviser	Agreed but only one Militia Adviser in the rank of Colonel will be appointed for Western Quebec
	15 Independent Signal Squadron RC Sigs	Relocate to WESTMOUNT	Agreed
	126 Company RCASC	Transfer to Supplementary Order of Battle	Agreed
	102 Provost Platoon C PRO C	Transfer to Supplementary Order of Battle	Agreed
	Le Regiment de Trois Rivieres (RCAC)	Remains in Order of Battle	Agreed
STE THERESE (BOUCHARD)	8 Company of 3 Ordnance Battalion RCOC	Remains in Order of Battle	Agreed and will be a part of the 2nd Montreal Service Battalion
TRACY	D Company 6e Bataillon Royal 22e Regiment RCIC	Relocate with parent unit at ST HYACINTHE	Agreed
VALLEYFIELD	D Company 4e Bataillon Royal 22e Regiment (Chateauguay) RCIC	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

QUEBEC COMMAND LESS EASTERN QUEBEC AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
VICTORIAVILLE	73 Field Battery of 46 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
WINDSOR MILLS	B Squadron 7/11 Hussars RCAC	Transfer to Supplementary Order of Battle	Relocate to SHERBROOKE as part of unit resulting from the amalgamation of 7/11 Hussars and The Sherbrooke Regiment RCAC
		Quebec Command Medical Advisery Staff of one Colonel and one clerk to be organized	Medical Advisery Staff will not be included in the Reorganized Militia

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
EASTERN QUEBEC AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ARVIDA	187 Field Battery of 6 Field Artillery Regiment RCA	Transfer to Supplementary Order of Battle	Agreed
	25 Technical Squadron RCEME	Relocate to Jonquiere	Agreed
BEAUCEVILLE	A Company Le Regiment de la Chaudiere RCIC (less one Platoon)	Remains in Order of Battle	Agreed
BEAUPORT	A Company 2 Ordnance Battalion RCOC	Remains in Order of Battle	Agreed and will be a part of the Quebec City Service Battalion
	4 Provost Company C PRO C	Remains in Order of Battle	Agreed and will be a part of the Quebec City Service Battalion
CABANO	One Platoon of A Company Les Fusiliers du St-Laurent RCIC	Remains in Order of Battle	Agreed
CHICOUTIMI	Le Regiment du Saguenay RCIC (less two Companies)	Remains in Order of Battle	Agreed
GASPE	82 Field Battery of 6 Field Artillery Regiment RCA	Relocate to BEAUPORT, replace by B Company of Les Fusiliers du St-Laurent RCIC	Agreed
JONQUIERE	C Company Le Regiment du Saguenay RCIC	Remains in Order of Battle	Agreed
LEVIS	59 Field Battery of 6 Field Artillery Regiment RCA	Remains in Order of Battle	Agreed
	8 Militia Group Headquarters	Disband	Agreed
	Le Regiment de la Chaudiere RCIC (less three Companies)	Remains in Order of Battle	Agreed
MATANE	D Company Les Fusiliers du St-Laurent RCIC	Remains in Order of Battle	Agreed
LAC MEGANTIC	B Company Le Regiment de la Chaudiere RCIC	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)

EASTERN QUEBEC AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
MONT JOLI	C Company Les Fusiliers du St-Laurent RCIC	Remains in Order of Battle	Agreed
MONTMAGNY	B Company Les Fusiliers du St-Laurent RCIC	Relocate to GASPE and one platoon relocate to NEW RICHMOND	Agreed
NEW RICHMOND	80 Field Battery of 6 Field Artillery Regiment RCA	Relocate to MONTMAGNY. One platoon of B Company Les Fusiliers du St-Laurent RCIC to replace 80 Field Battery RCA	Agreed
PORT ALFRED	B Company Le Regiment du Saguenay RCIC	Relocate with parent unit at CHICOUTIMI	Agreed
QUEBEC CITY	6 Field Artillery Regiment RCA with 58 Field Battery (less four Batteries)	Relocate to LEVIS	Agreed
	57 Artillery Locating Battery RCA	Transfer to Supplementary Order of Battle	Agreed
	3 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	The Royal Rifles of Canada RCIC	Transfer to Supplementary Order of Battle	The Royal Rifles of Canada RCIC and Les Voltigeurs de Quebec RCIC will amalgamate to form one Infantry Battalion located in Quebec City
	Les Voltigeurs de Quebec RCIC	Transfer to Supplementary Order of Battle. Name to be retained for Service Battalion	
	2 Column RCASC	2 Column RCASC less one company transfer to Supplementary Order of Battle	Agreed and company will be a part of the Quebec City Service Battalion
QUEBEC CITY	10 Field Squadron RCE	Remains in Order of Battle	Agreed
	42 Technical Squadron RCEME	Remains in Order of Battle	Agreed and will be a part of the Quebec City Service Battalion
	103 Manning Depot	Disband	Agreed
RIMOUSKI	Les Fusiliers du St-Laurent RCIC (less four Companies)	Remains in Order of Battle	Agreed

RIVIERE DU LOUP	A Company Les Fusiliers du St-Laurent RCIC	Remains in Order of Battle	Agreed
ST GEORGES DE BEAUCE	D Company Le Regiment de la Chaudiere RCIC	Remains in Order of Battle	Agreed
ST JOSEPH DE BEAUCE	Platoon of A Company Le Regiment de la Chaudiere RCIC	Relocate with parent company at BEAUCEVILLE	Agreed
STE FOY	7 Medical Company RCAMC	Relocate to Quebec City	Agreed and will be a part of the Quebec City Service Battalion
	7 Militia Group Headquarters	Disband. Replace by Eastern Quebec Militia Headquarters	Agreed and will be replaced by one Militia Adviser in the rank of Colonel for Eastern Quebec Area
THETFORD MINES	15 Field Squadron RCE	Remains in Order of Battle	Agreed
		Eastern Quebec Area Personnel Selection Detachment to be organized at Quebec City	Personnel Selection Detachment will not be organized in the Militia

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
NEW BRUNSWICK AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
BATHURST	2nd Battalion The Royal New Brunswick Regiment (North Shore) RCIC (less four companies)	Remains in Order of Battle	Agreed
CAMPBELLTON	C Company, 2nd Battalion The Royal New Brunswick Regiment (North Shore) RCIC	Remains in Order of Battle	Agreed
CHATHAM	A Company, 2nd Battalion The Royal New Brunswick Regiment (North Shore) RCIC	Relocate with Support Company at Newcastle	Agreed
DALHOUSIE	D Company, 2nd Battalion The Royal New Brunswick Regiment (North Shore) RCIC	Relocate with C Company at Campbellton	Agreed
EDMUNSTON	D Company, 1st Battalion Royal New Brunswick Regiment (Carleton and York) RCIC	Remains in Order of Battle	Agreed
FREDERICTON	12 Field Regiment RCA with 90 Field Battery RCA (less one battery)	12 Field Regiment RCA less two batteries to transfer to Supplementary Order of Battle. 90 Field Battery to be a part of 3 Field Regiment	Agreed
	6 Independent Signal Squadron RC Sigs	Transfer to Supplementary Order of Battle	Agreed
	1st Battalion, The Royal New Brunswick Regiment (Carleton and York) RCIC	Remains in Order of Battle	Agreed
GRAND FALLS	C Company, 1st Battalion The Royal New Brunswick Regiment (Carleton and York) RCIC	Remains in Order of Battle	Agreed
HAMPTON	Headquarters Squadron, 8th Canadian Hussars (Princess Louise's) RCAC	Relocate with parent unit in Sussex	Agreed
MONCTON	4 Independent Signal Squadron RC Sigs	Transfer to Supplementary Order of Battle	Agreed

	5 Militia Group Headquarters	Disband	Agreed
	113 Company RCASC	Remains in Order of Battle	Agreed and to be a part of the Moncton Service Battalion
	3 Medical Company RCAMC	Transfer to Supplementary Order of Battle	Agreed
	21 Technical Squadron RCEME	Remains in Order of Battle	Agreed and to be a part of the Moncton Service Battalion
	16 Provost Company C Pro C	Remains in Order of Battle	Agreed and to be a part of the Moncton Service Battalion
NEWCASTLE	Support Company of 2nd Battalion The Royal New Brunswick Regiment (North Shore) RCIC	Remains in Order of Battle	Agreed
PETITCODIAC	A Squadron of 8th Canadian Hussars (Princess Louise's) RCAC	Relocate with parent unit in Sussex	Agreed
PLASTER ROCK	One Platoon of C Company, 1st Battalion The Royal New Brunswick Regiment (Carleton and York) RCIC	Relocate with parent unit at Grand Falls	Agreed
SACKVILLE	C Squadron, 8th Canadian Hussars (Princess Louise's) RCAC	Remains in Order of Battle	Agreed
SAINT JOHN	6 Militia Group Headquarters	Disband. To be replaced by New Brunswick Militia Headquarters located in Fredericton—Saint John	Agreed to disband. One Militia Adviser in the rank of Colonel will be appointed for the Area
SAINT JOHN	3 Field Regiment RCA	Remains in Order of Battle	Agreed
	1 Field Squadron RCE	Transfer to Supplementary Order of Battle	Agreed
	5 Independent Signal Squadron RC Sigs	Remains in Order of Battle	Agreed
	Headquarters, Support and F Companies of 1st Battalion The Royal New Brunswick Regiment (Carleton and York) RCIC	Relocate to parent unit at Fredericton. To be replaced by B Company	Agreed
	112 Company RCASC	Remains in Order of Battle	Agreed
	4 Medical Company RCAMC	Remains in Order of Battle	Agreed
	51 Dental Unit	Disband	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
NEW BRUNSWICK AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
SAINT JOHN	102 Manning Depot	Disband	Agreed
ST STEPHEN	B Company, 1st Battalion The Royal New Brunswick Regiment (Carleton and York) RCIC	Relocate to Fredericton	B Company will relocate to Saint John
SUSSEX	8th Canadian Hussars (Princess Louise's) RCAC (less three squadrons)	Remains in Order of Battle	Agreed
WOODSTOCK	89 Field Battery of 12 Field Regiment RCA	To be a part of 3 Field Regiment RCA	Agreed
		New Brunswick Area Personnel Selection Detachment to be organized in Fredericton or Saint John	No Personnel Selection Detachment to be organized in the Militia

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
NOVA SCOTIA AND PRINCE EDWARD ISLAND AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
ALDERSHOT	The West Nova Scotia Regiment RCIC (less three companies)	Remains in Order of Battle and to organize "A" Company at Windsor	Agreed
AMHERST	1st Battalion The Nova Scotia Highlanders (North) RCIC with F Company (less five companies)	Remains in Order of Battle	Agreed
ANTIGONISH	E Company, 1st Battalion The Nova Scotia Highlanders (North) RCIC	Relocate with parent unit at Amherst	E Company will be relocated to New Glasgow
BRIDGETOWN	B Company, The West Nova Scotia Regiment RCIC	Relocate to Middleton	Agreed
BRIDGEWATER	D Company, The West Nova Scotia Regiment RCIC	Remains in Order of Battle	Agreed
CHARLOTTETOWN	5 Signals Regiment RC Sigs	Remains in Order of Battle	Agreed
	The Prince Edward Island Regiment (RCAC) (less two squadrons)	Remains in Order of Battle	Agreed
	2 Militia Group Headquarters	Disband. To be replaced by PEI Militia Adviser	Agreed. One Colonel will be appointed as PEI Militia Adviser
	Food Service Platoon of 110 Company RCASC	Relocate with parent company at Halifax	Agreed
	Transport Platoon of 110 Company RCASC	Relocate with parent company at Halifax	Agreed
	5 Medical Company RCAMC	Remains in Order of Battle	Agreed
DEEP BROOK	C Company, The West Nova Scotia Regiment RCIC	Remains in Order of Battle	Agreed
DARTMOUTH	87 Field Battery RCA of 1 Field Regiment RCA	Remains in Order of Battle	Agreed
	201 Field Battery RCAF of 1 Field Regiment RCA	Remains in Order of Battle	201 Field Battery RCA will relocate to its parent unit 1 Field Regiment in Halifax

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
NOVA SCOTIA AND PRINCE EDWARD ISLAND AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
GLACE BAY	A and C Companys, 2nd Battalion The Nova Scotia Highlanders (Cape Breton) RCIC	A Company to remain. C Company to relocate to parent unit in Sydney	Agreed
HALIFAX	1 Column RCASC	Transfer to Supplementary Order of Battle	Agreed
	110 Company RCASC	Remains in Order of Battle	Agreed and will form a part of the Halifax Service Battalion
	The Halifax Rifles RCAC	Transfer to Supplementary Order of Battle. Name to be carried as a Service Battalion	The Halifax Rifles RCAC will amalgamate with The Princess Louise Fusiliers RCIC to form an infantry battalion in Halifax
	1 Field Regiment RCA with 51 and 52 Field Batteries RCA (less two batteries)	Remains in Order of Battle	Agreed
	6 Signals Regiment RC Sigs	6 Signals Regiment less one squadron to transfer to Supplementary order of Battle. The active squadron to remain in Halifax	Agreed
	The Princess Louise Fusiliers RCIC	Remains in Order of Battle	The Princess Louise Fusiliers RCIC will amalgamate with The Halifax Rifles RCAC to form an infantry battalion in Halifax
	2 Medical Company RCAMC	Remains in Order of Battle	Agreed and will form a part of the Halifax Service Battalion
	50 Dental Unit RCDC	Disband	Agreed
	5 Provost Company C Pro C	Remains in Order of Battle	Agreed and will form a part of the Halifax Service Battalion
	3 Intelligence Training Company C Int C	Remains in Order of Battle	Agreed
	101 Manning Depot	Disband	Agreed
	4 Militia Group Headquarters	Disband. To be replaced by Nova Scotia and Prince Edward Island Militia Headquarters at Halifax	Agreed to disband. One Militia Adviser will be appointed in the rank of Brigadier from within the Command

	5 Field Engineer Regiment RCE	HQ transfer to Supplementary Order of Battle. 30 Field Squadron remains	Agreed
	A Company, 1 Ordnance Battalion RCOC	Remains in Order of Battle	Agreed and to be a part of the Halifax Service Battalion
	20 Technical Squadron RCEME	Remains in Order of Battle	Agreed and to be a part of the Halifax Service Battalion
	Eastern Command Dental Advisery Staff	Disband. To be replaced by Eastern Command Dental Headquarters	Agreed to disband however Dental Headquarters are not to be organized in the Militia
	Eastern Command Personnel Selection Unit	Disband. To be replaced by Nova Scotia and Prince Edward Island Personnel Selection Detachment	Agreed to disband but Personnel Selection Detachments are not to be organized in the Militia
	Eastern Command Chaplain Unit	Remains in Order of Battle	Agreed
	Eastern Command Medical Advisery Staff	Remains. One colonel and one clerk	Medical Advisery Staffs are not to be organized in the Militia
LIVERPOOL	133 Field Battery RCA of 14 Field Regiment RCA	Remains in Order of Battle	Agreed
LUNENBURG	Two Platoons of D Company The West Nova Scotia Regiment RCIC	Remains in Order of Battle	Agreed
MONTAGUE, PEI	B Squadron, The Prince Edward Island Regiment (RCAC)	Remains in Order of Battle	Agreed
NEW GLASGOW	Support and D Companies of 1st Battalion The Nova Scotia Highlanders (North) RCIC	D Company remains in New Glasgow	Agreed. D Company ot remain and Support Company to relocate ot parent unit at Amherst
NORTH SYDNEY	B Company, 2nd Battalion The Nova Scotia Highlanders (Cape Breton) RCIC	Remains in Order of Battle	Agreed
PICTOU	A Company, 1st Battalion The Nova Scotia Highlanders (North) RCIC	Remains in Order of Battle	Agreed
RIVER HEBERT	Platoon of F Company, 1st Battalion The Nova Scotia Highlanders (North) RCIC	Relocate with parent unit in Amherst	Agreed
SPRINGHILL	B Company, 1st Battalion The Nova Scotia Highlanders (North) RCIC	Remains in Order of Battle	Agreed
SUMMERSIDE, PEI	C Squadron, The Prince Edward Island Regiment (RCAC)	Remains in Order of Battle	Agreed

REORGALIZATION OF THE CANADIAN ARMY (MILITIA)
NOVA SCOTIA AND PRINCE EDWARD ISLAND AREA (Continued)

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
SYDNEY	3 Militia Group Headquarters	Disband. To be replaced by Nova Scotia and Prince Edward Island Militia Headquarters at Halifax	Agreed to disband. One Colonel will be appointed as NS Militia Adviser
	6 Independent Field Battery RCA	Transfer to Supplementary Order of Battle	Agreed
	45 Field Squadron RCE	Remains in Order of Battle	Agreed
	111 Company RCASC	Remains in Order of Battle	Agreed
	6 Medical Company RCAMC	Remains in Order of Battle	Agreed
	2nd Battalion, The Nova Scotia Highlanders (Cape Breton) RCIC (less two companies)	Remains in Order of Battle	Agreed
TRURO	C Company, 1st Battalion The Nova Scotia Highlanders (Cape Breton) RCIC	Relocate with parent unit at Amherst	C Company will remain in Truro
WINDSOR	88 Field Battery RCA of 14 Field Regiment RCA	Transfer to Supplementary Order of Battle. To be replaced by "A" Company of The West Nova Scotia Regiment RCIC	Agreed
YARMOUTH	14 Field Regiment RCA with 84 Field Battery (less two batteries)	Remains in Order of Battle	Agreed

REORGANIZATION OF THE CANADIAN ARMY (MILITIA)
NEWFOUNDLAND AREA

LOCATION	UNIT DESIGNATION	SUTTIE COMMISSION RECOMMENDATION	DEPARTMENT OF NATIONAL DEFENCE DECISION
CORNER BROOK	A Company, The Royal Newfoundland Regiment RCIC	Remains in Order of Battle	Agreed
	One Platoon of 1 Medical Company RCAMC	Remains in Order of Battle	Agreed
GRAND FALLS	B Company, The Royal Newfoundland Regiment RCIC	Remains in Order of Battle	Agreed
ST JOHN'S	1 Militia Group Headquarters	Disband. To be replaced by Newfoundland Militia Adviser	One Militia Adviser will be appointed in the rank of Colonel
	56 Field Squadron RCE	Remains in Order of Battle	Agreed
	The Royal Newfoundland Regiment RCIC (less three companies)	Remains in Order of Battle	Agreed
	Two Platoons of 111 Company RCASC	Relocate with parent unit at Sydney N.S.	Agreed
	1 Medical Company RCAMC	Remains in Order of Battle	Agreed
	Newfoundland Area Detachment of Eastern Command Medical Advisory Staff	Disband	Agreed
	112 Manning Depot	Disband. Newfoundland Area Personnel Selection Detachment to be formed	Agreed to disband 112 Manning Depot. A Personnel Selection Detachment will not be formed
WABANA, BELL ISLAND	C Company, The Royal Newfoundland Regiment RCIC	Relocate with parent unit at St John's	C Company will remain in Wabana, Bell Island

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

THURSDAY, NOVEMBER 5, 1964

RESERVE FORCES

WITNESSES:

Honourable Paul T. Hellyer, Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21428—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de Grâce*),	Langlois,	Martineau,
Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Groos,	MacLean,	Smith,
Harkness,	MacRae,	Temple,
		Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, November 5, 1964.
(33)

The Special Committee on Defence met at 11:40 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Béchard, Deachman, Fane, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac Saint-Jean*), MacLean, MacRae, McMillan, McNulty, Pilon, Smith, Temple and Winch—(18).

In attendance: Honourable Paul T. Hellyer, Minister of National Defence; Honourable Lucien Cardin, Associate Minister of National Defence; and Colonel C. P. McPherson, Director of Militia and Cadets.

The Committee resumed its consideration of the *Reserve Forces*. Messrs. Hellyer and McPherson were questioned on the contents of the statements and documents, respecting Reserve Forces, submitted to the Committee on Tuesday, November 3, 1964.

Ot 1:15 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

21428—1½

EVIDENCE

THURSDAY, November 5, 1964.
11.40 a.m.

The CHAIRMAN: We now have a quorum, gentlemen.

First of all I wish to apologize for not being here on Tuesday, but I gather the meeting proceeded very well. We will continue today with questioning the Minister on his statement and the information that was provided to the committee last Tuesday.

There are no initial statements today, so we will proceed immediately to the questioning.

We have as witnesses the Minister of National Defence, the Associate Minister of National Defence and Col. C. P. McPherson, the Director of Militia and Cadets. The first questioner I have noted is Mr. MacRae.

Mr. MACRAE: Mr. Chairman, the first question I have deals with the advisers.

On page 9 of the recommendations of the Commission, with regard to the Department of National Defence the Commission recommended that instead of the present militia groups there should be 15 militia headquarters and 15 militia advisers. The Department of National Defence and the minister did not accept that, and it is said there will be 19 advisers, four brigadiers and 15 colonels.

What will be the actual authority of these officers?

If I were to put my whole question I think this will come into context. Will these officers have any type of staff whatsoever?

Will the officers be permanent force or militia officers? I take it they will be militia, but I would appreciate an answer to that question.

That is my first question.

Hon. PAUL HELLYER (*Minister of National Defence*): First of all, their responsibilities will be to advise the general officer commanding or the area commander in respect to militia matters. This is a rather broad responsibility so that it depends to a considerable extent on the area commander or the general officer commanding as to the specifics of the advice that he requires from time to time.

In answer to your second question, they will have no staffs.

The answer to your third question is that they will be militia officers.

Mr. MACRAE: Then I have a small supplementary question.

Do these colonels have any real command authority at all? You mention that the colonel is an adviser, and of course that is perhaps what he is.

Mr. HELLYER: He would not ordinarily have any command responsibility, but it is possible that he might be given some command responsibility by the area or general officer commanding, say, at a summer training camp or something of this kind; but this would be a specific term of reference.

Mr. MACRAE: Where would his real loyalty lie, then? I know you cannot split loyalty in a service, but does it lie towards the militia or towards the area commander? Perhaps that is not a fair question.

Mr. HELLYER: He is really there to provide a liaison between the two.

Mr. MacRae: The second question I have refers to the attachment of permanent force personnel, regular army, to the militia. I would like a few figures, but of course I do appreciate that you perhaps do not have them.

What is the total of instructional pools that are now working with the Canadian militia?

Mr. Hellyer: If you have that information, Col. McPherson, would you be good enough to give it?

Col. C. P. McPherson (*Director of Militia and Cadets*): At the present time we have a total of 332 call outs.

Mr. MacRae: That is in all Canada?

Mr. McPherson: In all Canada, yes.

Mr. MacRae: How many are considered to be on attachment from the regular army to the militia.

Mr. McPherson: The instructional staff establishment is 854 all ranks for the whole of Canada.

Mr. MacRae: So that would be roughly 1,200?

Mr. McPherson: Yes.

Mr. MacRae: According to the recommendations there will be 750 from the rank of major down to the rank of sergeant who will be attached from the regular army to the militia. Where are you going to find, for example, 250 majors or captains, which is what will be actually attached? Are they going to come from area and command headquarters? Are they going to come from the permanent force, the regular force units? From where will you get these people?

Mr. McPherson: Mr. Chairman, in answer to this question may I say that we accepted only part of the commission's recommendation. The part we accepted was the recommendation that we should provide the militia units with support by attaching non-commissioned officers to run their orderly rooms and their quartermaster stores, but we did not feel that we could afford to provide each of these units with a regular officer complement.

However, we are providing in each area one or two administrative officers whose task it will be to help each unit establish itself on a sound administrative basis, and to keep it there. They will not be there to advise; they will be there to help.

The remainder of the instructional staff will be grouped in increments and will be attached to regular units, regular schools or regular depots.

The responsibility of these incremental staffs will be to provide courses of instruction, to set and mark examinations for militia officers and N.C.O.s, and to provide instruction at summer camps.

Mr. MacRae: May I turn to the part of my question which I do not think you answered? Where do you find these officers, especially the officers of field rank, the captains and so on? Are they now available?

Mr. McPherson: Yes, they are now available in the present instructional staff.

Mr. MacRae: They are already there?

Mr. McPherson: Yes. We feel that by attaching them to regular units, we will be able to provide better support and a higher calibre of instruction to militia units.

Mr. MacRae: What do you mean by regular units now, Colonel? For example, take northern New Brunswick where the nearest unit would be, Camp Gagetown or area headquarters there. Do you mean they are on the strength of the Royal Highlanders of Canada, the Black Watch, or are they on the strength of area headquarters?

Mr. McPherson: That is right.

Mr. Smith: Which is right? Will they be on the strength of the Black Watch?

Mr. McPherson: They will be carried as an increment to the Black Watch, for example.

Mr. MacRae: My final question in this particular group is this. I notice the retirement ages were raised by the Department of National Defence and by the minister. The Suttie Commission report, for example, recommended that a colonel could not be appointed to a command after he was 37 years of age, and that was raised by the department to 40.

Perhaps I should ask the minister this. Did the minister give any serious thought to raising it even higher than that? It is my opinion—though it is not my place to give opinions but rather to ask questions—that it is still too low at this particular point.

Mr. Hellyer: I wonder if you are confusing two things—the age at which they have to be promoted to rank, and retirement age.

Mr. MacRae: Do the two not run together? They must assume command and be promoted by the time they are 40 or they do not stand any chance of commanding militia units?

Mr. Hellyer: That is correct in so far as promotion to rank and command is concerned, but this is not comparable to the retirement ages which are the same as for the regular army, namely, 51 years for a colonel, and then 49, 47 and 45.

Mr. MacRae: Thank you for that answer.

I have half a dozen more questions on specific units, but I realize there are a great many questions the members wish to ask, and if you will put me back on your list I will ask further questions later.

The Chairman: Thank you, Mr. MacRae.

Mr. Winch: I have two questions to put at this time, and in order to expedite questioning and answering perhaps I may put them at the same time.

May I first of all state that my English blood is roused by the fact that the Irish Fusiliers in Vancouver and Toronto—very famous names and regiments—are to be transferred to "supplementary order of battle."

I think, sir, that that is not understandable in view of the record over so many years of the Irish and the fact that they followed a most famous regiment in the first world war.

I have to say that, sir, because I think it is correct. Also, of course, I served with the Irish Fusiliers, the Second Battalion Vancouver Regiment, for a number of years.

My first question, which I will tie in with another, is to ask you if we can have an explanation of the basis upon which the Suttie Commission recommended that the Irish Fusiliers, the Second Battalion Vancouver Regiment, remain in order of battle yet the Department of National Defence has decided not to accept the recommendation of the Suttie Commission and to transfer it to supplementary order of battle. This automatically leads into the second question.

Could we have an exposition as to the real meaning of "supplementary order of battle."—a most unusual selection of terminology. If my information is correct from reading and from inquiry, supplementary order of battle means a method whereby the name and the battle honours of a regiment will have an official status. However, as far as the existing enrolment of the Irish Fusiliers in Vancouver and Toronto, and all others who are coming under supplementary order of battle are concerned, it strictly means a paper record—a paper record, Mr. Chairman, of the entire enrolment.

If that is correct—and I would like that explained—what is a supplementary order of battle beyond the maintenance of the name and battle honours? How could you in any way call them back in the event of emergency, national or international, when they will no longer be members of the militia and will have no training whatsoever?

This is a phase that has not been detailed yet, and I think it is one that should be most fully explained.

Mr. HELLYER: Mr. Winch, first of all in respect to the broad picture, I think the commission headed by Brigadier Suttie did an excellent job of carrying out the task that was assigned to them. They examined very carefully the many factors which were taken into consideration and they reached judgments on that basis. There were, however, owing to the limitations of time and personnel available to them, some recommendations which upon examination we felt required further consideration.

Among the additional factors was the national picture. We felt it was essential that the ultimate recommendations adopted be applied as fairly and equally in all parts of the country as was possible.

Because of the limitations of time and personnel in the commission, the individual members of the commission had done a considerable amount of detailed work in their own areas, and the application of the factors, we felt, was just a shade different in some parts of the country from others. These are matters of judgment. So we reviewed all the decisions and came to the conclusion that in the great majority of cases—I cannot give you a percentage but I would say broadly 80 or 90 per cent—we would have no hesitation in supporting their recommendation as it was put forward. In a few other cases, however, in the interests of what we felt to be an even greater uniformity in the application of the standards across the country, some of the decisions had to be reversed and some were reversed in each direction. It was the application of our review that resulted in some different recommendations from those that had originally been put forward.

In respect to the supplementary order of battle, Mr. Winch, you are quite right in saying this is an unusual terminology. It was recommended by the commission in order to do just what you have suggested; that is, to permit the names of famous units to remain while at the same time permitting the strength to be reduced to nil. Obviously the commission must have felt this was a desirable recommendation and that it would preserve in an official record the names, histories and traditions of these great units.

Mr. WINCH: May I ask, then, if that means that apart from the one factor which you have just mentioned, the Irish Fusiliers—and I am going to refer to them because I know them best—in Vancouver and Toronto are for all official purposes disbanded and that there are no members of those units?

Mr. HELLYER: That is correct.

Mr. WINCH: There is no way, therefore, of calling them back or giving any training to them or any consideration? They are out?

Mr. HELLYER: Unless, as was stated in the statement, there was a re-establishment of one of the units at some time in the future.

Mr. WINCH: How are you going to re-establish a unit except in name without completely reorganizing and re-establishing it?

Mr. HELLYER: Mr. Winch, this has been done many times before; units have been disbanded and units have been dis-established and re-established. This is not without precedent.

Mr. WINCH: I am still speaking of the Irish Fusiliers. In your decision not to accept the report of the Suttie commission, did you find it impossible to retain that famous regiment either in Vancouver or in Toronto? How is

it that it so happens you have to remove them completely as a unit in both cities?

Mr. HELLYER: It was merely a coincidence that brought about this result.

Mr. WINCH: I say it is a very unfortunate coincidence.

Mr. SMITH: Mr. Hellyer, on the disposal of armouries, I believe it is said that they will be sold. I think that in a lot of centres the armouries that may become surplus are built on parks or close to parks or, in some instances, close to other recreational facilities. I would hope that the department would take a very careful look at the sale of these armouries and, if possible, in some instances would try to make arrangements to lease them to the municipal authorities for two purposes: one, that they may at some future date be used again, and second, that they be kept in being for public purposes, and that this should not be treated completely as a commercial transaction such as the ones dealing with other government surplus property. This is hardly a question but I would ask that consideration be given to this point. Would you like to deal with that proposition, sir?

Mr. HELLYER: Do I want to comment on it? Not really. I will do so briefly, if you would like me to. This question will have to be given careful study. The departmental policy has been not to retain lands and buildings when they are no longer required but to declare them surplus, and then the law clearly provides as to the method of their disposal.

Mr. SMITH: We are familiar with that.

Mr. HELLYER: I think this is a good policy and one which we should adhere to.

Mr. SMITH: It is a good policy in its general application.

Mr. HELLYER: At the same time I think we should be sure, before disposition of properties, that there is not likely to be a requirement within the foreseeable future, and we should be very careful in the application of this judgment.

Mr. SMITH: I think there is a further point here, and that is that for instance there is a series of figures on the cost of lands. In many instances the armouries are built on land that was donated or sold to the government at a very small cost, and it is close to park facilities.

Mr. HELLYER: I think this is true in some cases. I think it is also true that of late there has been a disposition on the part of the municipalities to expect payment in lieu of taxes, and it is very difficult to set out the intangibles of the previously established contractual relationship.

Mr. SMITH: A great many of the administrative and training functions of the militia are now being taken over by permanent force officers and soldiers. Is that not so in the case of call-outs? You mentioned that there would be some centralization on pay and records. Has any estimate been made of the number of regular officers and soldiers who would be involved on a full time basis or an almost full time basis in serving the militia?

Mr. MCPHERSON: Mr. Chairman, the strength of the present staff is 854. That 854 will continue to support the militia.

Mr. WINCH: Even the reduced militia? Will the same number be now available?

Mr. MCPHERSON: That is correct. That is our present plan.

Mr. SMITH: Except that there will no longer be call-outs and short service.

Mr. MCPHERSON: That is correct.

Mr. MACRAE: So that in addition there are these 750 that are added, 250 majors or captains roughly and 150 W.O.'s.

Mr. McPherson: Two hundred and fifty is what the commission recommended. Is that what you refer to?

Mr. MacRae: You said it is 854.

Mr. McPherson: That is the size of our present instructional staff, out of which we intend to provide the close administrative support to the militia, as I have already described, plus instructional support.

Mr. Smith: So there will be no increase?

Mr. McPherson: No increase.

Mr. Smith: How quickly do you anticipate getting to the new age levels of militia officers and other ranks?

Mr. Hellyer: We are careful not to be too specific about that for the reason that it has to be applied with discretion, but at the same time it should not be used as an excuse for not improving the quality and effectiveness of the units.

Mr. Smith: I wonder if you are not going to be able to keep some of the older ones as a nucleus for some considerable time?

Mr. Hellyer: I think the colonel may agree that there may be cases where young officers are not immediately available where this would have to be considered.

Mr. Laniel: I have three or four questions. First of all I would like to refer to your statement at page 7 where you speak about reducing accommodation costs. You mention that some saving would be realized by releasing buildings held by lease or rental agreement. Do you mean by this that you will try and establish local units on a more permanent basis in permanent buildings in accordance with the position of the department regarding the establishment of an armouries construction program?

Mr. Hellyer: I will try to answer what I believe to be your question. First of all, we will be giving up, due to the reorganization, a number of properties including a number of leased properties. There is also the additional question that in some major urban areas, the big cities, it may be possible to use other existing facilities in such a way that this will permit us to give up some of the properties presently used, including some of those that are being leased and rented. This, for example, is what we plan to do in the long run in Toronto. However, some of these plans will have to be worked out in the course of the reorganization, and only the ones that we are giving up due to the change in the order of battle can be referred to specifically at this time.

Mr. Laniel: You will take into account some of the advantages of the present set-up even though it might be under a rental basis as far as availability to people is concerned?

Mr. Hellyer: All of these factors will be taken into consideration.

Mr. Laniel: You mentioned that under the present plan the basis of an establishment will be 300 all ranks. Does this mean that all units will have to meet this standard?

Mr. Hellyer: No, it is an establishment which gives them their maximum. At the same time we have said that it is realistic target in many areas and we would not expect major units in urban centres, for example, to be too far below establishment over a long period of time and still be as effective as we would like to see them.

Mr. Laniel: Will you permit them to go over that number?

Mr. Hellyer: No, this is the maximum, except where there there are sub units of a battalion, say in towns outside an urban centre.

Mr. LANIEL: In this I imagine you will have to take into account the question of the age limit and also the preparation of these new officers to serve the reserve well. How long do you expect it might take to have a much younger reserve with a forward looking attitude and an up to date outlook by renewing these officers and actually giving them a job to do and trying to build up that spirit of participation of the reserve as a support to the regular army?

Mr. HELLYER: I think it is very dangerous to make predictions in respect to dates, but we will commence this task at once and it will be pressed just as quickly as we can press it.

Mr. LANIEL: As far as training is concerned, the position of the department leaves me with some doubts as to where this will end. Let us first take the week end training, which is one of the recommendations. I think that strong emphasis should be given to week end training, maybe a stronger emphasis than has been placed on it by the department. The same thing applies to the corps schools for the preparation of officers. If you look at the position of the department, it is said that militia courses will be conducted at corps schools wherever there is a requirement. I think the department should take a stronger initiative in that field if they really want to build up the reserve.

Mr. HELLYER: We agree in principle but there are limitations in practice. Maybe Colonel McPherson could amplify.

Mr. MCPHERSON: With respect to corps schools conducting courses for the militia, it has been our experience in the past where we provide courses for the militia that we get very few individuals attending, by virtue of their employment and other factors. We find that the corps school has to phase these courses into their normal programmes and it is a little discouraging to find that only one or two candidates turn up. That is why we say that if we can get a sufficient number of people interested in taking the course, we will certainly run one at the corps school.

Mr. SMITH: Could I ask a supplementary question? Is it proposed now to take a harder line with the militia units who do not require their officers to get to these courses, and that they will have to get out?

Mr. MCPHERSON: Let me put it this way, that if an officer does not wish to attend a course to qualify, then he becomes dead-wood within the militia.

Mr. SMITH: And you are going to take a hard line on this type of officer?

Mr. MCPHERSON: Yes.

Mr. LANIEL: I have another short question. It is said here that C.O.T.C. graduates are required to sign a commitment for militia service after graduation. Is that in existence now?

Mr. MCPHERSON: Yes, that provision exists now. Our intention is to emphasize it to the candidate.

Mr. LANIEL: To what point does it exist? What are the results?

Mr. MCPHERSON: I would say the results have not been as good as I would expect, and there are several reasons for this: one is that, by virtue of movement and employment, the militia loses touch with the C.O.T.C. graduates. Let me give you an example. An individual might come from northern Ontario where his home town is located, take his university training in Toronto, and then move to Halifax to earn his living. It is a question of trying to identify the individual's movement and to encourage him to join the local militia unit. This we are going to do.

Mr. LANIEL: My line of questioning has merely led me to say that it is very important to increase the standards in the reserves and to increase their

efficiency if you wish to establish a program of public relations. I do not see how you can establish a program of public relations unless you have efficient, capable men, doing training which the population will see, doing week end exercises so that the population can see the young officers going to corps schools and generally see some movement in the reserve, because otherwise we will go back to the present system.

Mr. McNULTY: Mr. Chairman, have these various units been notified of the decision by the Department of National Defence?

Mr. HELLYER: They were all notified in advance of the public announcement.

Mr. McNULTY: How soon will these units be transferred to supplementary lists?

Mr. HELLYER: Perhaps the colonel could answer that, but I would suspect starting from now and phased over the period between now and March 31st.

Mr. McNULTY: What happens to the armouries where there are two or more units using them as well as the separate messes? What happens to the physical properties of the messes, the mess funds, and so on?

Mr. McPHERSON: This will have to be gone into, of course. There are regulations in effect on the disposal of mess property and mess funds.

Mr. McNULTY: What about the commissioned officers? I was thinking of my own unit, the 44th Field Artillery Regiment at St. Catharines. Will they automatically retire or are they transferred to a list? What about their commissions?

Mr. McPHERSON: If there is another unit in the locality, these officers may, of course, if they are acceptable, join that unit. If not, they will be transferred to the supplementary reserve.

Mr. McNULTY: This again would be a matter of the complement such as transferring an artillery regiment like the 44th. I believe the 57th would be picking up the 10th Field Battery from St. Catharines so that there will be too many officers to transfer, would there not?

Mr. McPHERSON: I have to agree that some of them would have to be transferred to the supplementary reserve.

Mr. McNULTY: In regard to transportation, and keeping in mind that the 44th Field Regiment is attached to the 57th in Niagara Falls, how often do you contemplate they would be required to participate in training with the parent unit?

Mr. McPHERSON: The regiment should get together at summer camps. There should be liaison between the commanding officer and the battery commander in that area; the battery commander will be getting direction from the commanding officer.

Mr. McNULTY: This would not entail a great deal of moving back and forth? It would be possibly once or twice a year when transportation would really be required? They would do their training in the batteries locally?

Mr. McPHERSON: Yes, locally.

The CHAIRMAN: Does that complete your questioning, Mr. McNulty?

Mr. McNULTY: Yes.

The CHAIRMAN: Mr. Fane.

Mr. FANE: I would like to ask the Minister whether the Unit Commanders or Battalion Commanders were consulted about relocation of outlying units in their command, or was it done entirely by the commission?

Mr. HELLYER: I think, subject to correction, it was done by the commission plus the reconsideration that was given by the department when area commanders, general officers commanding, and others were consulted.

Mr. FANE: The Commanding Officer of the unit was consulted, I presume, in each case about relocation of an outlying company?

Mr. HELLYER: I do not imagine he would have been in each case. He may have been in some cases.

Mr. FANE: May I be specific, Mr. Chairman?

I would like to refer to the Loyal Edmonton Regiment, which I think is now the Third Battalion of the Princess Patricia's Light Infantry. There was a company of that division located in the town of Vegreville. It later became a platoon. This is being relocated. In Vegreville there is an armoury that was built some 12 or 15 years ago which cost somewhere between $150,000 and $250,000. That will become surplus now. I may say that when I was in command of the unit in Vegreville I always had a waiting list. Why should a unit, even a platoon, be moved out of a town when it has a record second to very few in Canada for recruiting during wars and in the reserve army?

Mr. HELLYER: I think the factors which were applied in all situations were applied there, Mr. Fane.

Mr. FANE: Meaning what?

Mr. HELLYER: I gave a list of them the other day and I am sure you would admit that the waiting list has shrunk quite considerably since you were commanding the unit.

The CHAIRMAN: Does that complete your questioning, Mr. Fane?

Mr. FANE: Yes, thank you.

The CHAIRMAN: Dr. McMillan.

Mr. MCMILLAN: Would disbanded armouries and other equipment come under the War Crown Assets Disposal Corporation for disposal?

Mr. HELLYER: If the department comes to the conclusion that they are surplus, Dr. McMillan, then by law they have to be transferred to the Crown Assets Disposal Corporation for disposal.

Mr. MCMILLAN: In other words, the municipalities would have to deal with them?

Mr. HELLYER: That is correct.

Mr. MCMILLAN: I was interested in units. You say that the maximum number in any one unit was 300. Suppose you had two subunits; would you exceed the 300?

Mr. MCPHERSON: I think it might help if I were to explain our contemplated plan with respect to the strength of each unit. Where we have a regiment or a battalion with outlying sub-units—that is squadrons or companies in, say, two other locations or more—the unit commander would have to first use up his strength of 300. Then he would apply for additional strength in blocks of 100.

Mr. MCMILLAN: How are the assets of the department carried on the books? Has there been any write-off; is there a write-off of arms because of their increase in age, and so on, or is everything carried at 100 per cent?

Mr. HELLYER: This is a very complicated question which might be directed elsewhere. Under our system we do not have a balance sheet which shows capital assets and provides for depreciation. We operate our governmental system on a cash basis.

In respect of accounting procedures within the department, as was explained, these are done by law on the basis of cash. If a unit commander, for example, has to account for equipments which have been provided to him, these have to be accounted for on the basis of the initial costs rather than on the basis of a depreciated value.

Mr. MCMILLAN: If, for instance, you buy an automobile, is that written off each year or is it all on a cash basis?

Mr. HELLYER: It is all on a cash basis when we need new cars, if we have money we buy them. When they wear out, we should get rid of them and get new ones.

Mr. MCMILLAN: The assets as they might appear in the books do not mean much.

Mr. HELLYER: We do not have an accounting of our capital assets.

Mr. LAMBERT: In connection with the naval reserve and the deactivating of training ships, what plan has been evolved for the continued training of naval cadets and navy league cadets?

Mr. HELLYER: I am not sure I can answer the question specifically, but in most cases accommodation is being provided by one means or another in the Department of National Defence buildings, and in some cases in other buildings belonging to municipal governments or private organizations.

Mr. LAMBERT: May we get specific, and as I am intruding in a discussion of the militia here, perhaps the minister could take this as notice.

I am primarily concerned with H.M.C.S. *Nonsuch*. It is the decision of the Department of National Defence to integrate with it some of the militia organizations which are scattered over the city of Edmonton where there are some engineers, ordnance people, and what have you, who are housed in a conglomerate situation; and in order to maintain the *Nonsuch* as a training base, you would do away with these conglomerate accommodations and bring in these other militia units.

Mr. HELLYER: The tentative plan, if you will accept it, is to use the facilities for army reserve units and continue to make accommodation available for the sea cadets.

Mr. LAMBERT: Thank you.

The CHAIRMAN: Does that complete your question?

Mr. LAMBERT: Yes.

The CHAIRMAN: Now, Mr. Harkness.

Mr. HARKNESS: I wonder if you have a summary to show the number of units by corps which are being in fact disbanded, going under, that is, the supplementary order of battle. We got started on this at the last meeting, when you gave us some figures for the artillery and the armoured corps inventory. I think it would give us a better picture of what is happening on the whole if we could have a list showing the number of units by corps.

Mr. HELLYER: I think we have one here.

Mr. MCPHERSON: The Royal Canadian Armoured Corps is reduced by six.

Mr. HARKNESS: Would you please do the same with the others?

Mr. MCPHERSON: The Royal Canadian Armoured Corps from 26 major units to 20. The Royal Canadian Artillery from 36 major and 8 minor to 22 major and 4 minor. The Royal Canadian Engineers from 7 major and 14 minor to 3 major and 16 minor. The Royal Canadian Signals from 8 major and 11 minor to 3 major and 12 minor. The Royal Canadian Infantry Corps had 60 major, and it has been reduced to 51 major units and two minor units.

The Royal Canadian Army Service Corps had eight major units and 12 minor units. They will now have 19 minor units.

The Canadian Forces Medical Service had one major unit and 25 minor units. They will now have 22 minor units.

The Royal Canadian Ordnance Corps had five major units and 7 minor units. They will now have 14 minor units.

The Royal Canadian Electrical and Mechanical Engineers had five major units and 18 minor units. It will now have 20 minor units.

The Royal Canadian Provost Corps had 10 minor units, and will now have 11 platoons.

The Intelligence Corps had six minor units, and will continue to have six minor units.

Mr. HARKNESS: That is the entire list. Now, what about the commanding depots, all of which have been disbanded. Were they counted as major, minor or what?

Mr. MCPHERSON: No, sir, we do not put them in that category, but they have been disbanded. The personnel selection units and dental units have also been disbanded. There were 14 manning depots.

Mr. HARKNESS: One of the reasons I put this question was I noticed in a newspaper account that something like 58 major units were being disbanded and I wondered whether or not manning depots were included in that figure?

Mr. MCPHERSON: No, these were not included in the number given in the press.

Mr. HARKNESS: So, this number of 58 is made up of the corps units which you have mentioned there, which have been reduced as indicated.

Mr. MCPHERSON: Yes.

Mr. HARKNESS: Now, in this connection it would appear that the chief units which have been reduced are the artillery, the engineers, the signallers and the service corps. With this reduction does it leave anything like a reasonable balance of these units compared with the others in respect of the balance which exists in the regular army?

Mr. MCPHERSON: I would say yes, sir. I think it is generally recognized that we would have a greater requirement on mobilization for infantry than some of the other arms and, in respect of the artillery, we have a requirement on mobilization for the training brigades of three regiments in addition to a certain number of reinforcements for the regular army, and we feel that in leaving 22 major units and four minor units for the artillery this would meet our mobilization requirements.

Mr. HARKNESS: What about the case of the engineers, where you have a reduction of considerably over 50 per cent, and in the case of signallers where you have a reduction of somewhat over 60 per cent or up to two thirds? It would seem to me you are going to be very deficient in the militia and, therefore, the basis from which you can draw off reinforcements, or for these three brigades so far as engineers and signallers are concerned.

Mr. MCPHERSON: As you can see we have reduced the engineers by two and the signallers by four.

Mr. HARKNESS: From the figures you have given me I can see this would result in a reduction of over 50 per cent.

Mr. MCPHERSON: I wonder if we are using the same factor.

Mr. MACRAE: Colonel Harkness means the major units.

Mr. HARKNESS: If you take the two combined, I think it would run to 50 per cent.

Mr. MCPHERSON: In the case of signallers, we have eight, but we are now organized in the regular army not on a regimental basis but on a squadron basis, so we have to have them organized as squadrons. In one or two instances we kept regiments.

Mr. HARKNESS: It struck me that your proportion of engineers and signallers in particular is reduced way out of proportion to any other arms, and as you are well aware they are both extremely important corps.

Mr. HELLYER: I think one factor that should be mentioned is due to the experience that we have had. Colonel McPherson will correct me if I am

wrong, but there has been some reinforcement in the signal capability of the Canadian army regular, and this provides a certain amount of redundancy in peacetime which would be available on mobilization.

Mr. HARKNESS: In that connection I think all experience in the past has shown that one of the types of personnel which was always in particularly short supply was the signallers. This is one of the reasons why I am concerned about this very big reduction of signallers. Throughout the last war we were in difficulties as far as signallers were concerned.

Mr. MCPHERSON: We reckon that with three regiments and twelve squadrons we would get the required number.

Mr. HELLYER: Also, if we get some up to date equipment, this will have an even more important effect because with equipment they now have they will not be well prepared for emergency circumstances, and if we can get a smaller number more adequately prepared, this would be quite an achievement.

Mr. HARKNESS: It is always highly desirable to get everybody as well trained as you can, and no doubt the better equipment you have the better your chances of doing that. Nevertheless, I do not think that is what we are talking about, at least what I am talking about is whether the balance here is a proper balance or not. This is very much open to question.

I have another question in connection with these service battalions. I have not had time to go over it and to make any compilation. How many of the people that would normally make up a service battalion, ordnance, medical service, medical people, army service corps people, and so on, how many units which are not in these service battalions will be left in existence?

Mr. MCPERSON: There will be some, sir. I do not know whether I have the figure at hand immediately but there are some that, by virtue of their location, cannot be grouped conveniently into the service battalion organization.

Mr. HARKNESS: This is the point I am getting to. The service battalions are in large cities, and I was wondering to what extent you were going to have people in these corps in smaller towns.

Mr. MCPHERSON: There will be some.

Mr. HARKNESS: You do not know how many?

Mr. MCPHERSON: It will be worked out in a minute, sir.

Mr. HARKNESS: As far as these people that are not in the service battalion are concerned, is it planned when they go to camp that they will work in a service battalion or will there be an ad hoc arrangement just for camp purposes?

What I am really getting at is will all these people be trained in the service battalion set up?

Mr. MCPHERSON: This is perhaps the best way to do it; the service battalion commander would be responsible for summer camp training of the service units. In all cases this cannot be done because of the location of an isolated service company.

Mr. HARKNESS: So far as their summer camp training is concerned, would these people who are not in the service battalion nevertheless be trained at summer camp as part of the service battalion?

Mr. MCPHERSON: Yes, sir.

Mr. HARKNESS: I think this would be highly desirable.

Mr. HELLYER: They would have to be trained in this concept, because this concept is for the future of the Canadian army, and it would be difficult for us to coordinate militia with Canadian army training if it was not the same type of training.

Mr. HARKNESS: I am all in favour of it, because I instituted it myself.

Mr. HELLYER: We have no disagreement here. I think it is an excellent thing.

Mr. HARKNESS: My concern was whether units which are not presently in a service battalion who would be operating with one, will get the same training along with the others?

Mr. HELLYER: That which you have so well and duly initiated will be carried out vigorously and efficiently.

The CHAIRMAN: Does that complete your questions, Mr. Harkness? If so, Mr. MacRae.

Mr. MACRAE: I have a question supplementary to the one which was asked by Mr. McNulty, when he asked about the officers who would be in excess of the establishment. Is there any provision under this new plan for supernumerary officers to be picked up as ordinary officers? Is there any provision whereby, when a unit is being struck off the supplementary order of battle, other remaining units may pick up the good officers as supernumeraries?

Mr. MCPHERSON: No. If we have to keep a supply of supernumerary officers, our costs would increase. There is provision now that officers who are on supplementary reserve may take training.

Mr. MACRAE: You mean at a summer camp?

Mr. MCPHERSON: Yes, and that provision will continue.

Mr. MACRAE: What we can do is to cut off the officers in some cases who will have to be struck off the supplementary list of officers, even though they are of age and so on. I wanted to deal with one or two specific units. I refer to page LXXVI of the "The Commission on the Reorganization of the Canadian Army (Militia), Part II". The units are the first and second battalions of the Royal New Brunswick Regiment, and where according to the eighth line down the headquarters of the first battalion are to be at Fredericton, while the other companies are in Saint John, Grand Falls, and Edmundston. Is it envisaged that there will be any change at all in the establishment of these units? To be specific, will the other companies that you know, such as "A" company, the support company, and the headquarters company, be in Fredericton? Is that included in the plan? I realize there are so many units that you may not wish to answer at this time, but rather to make a note of my question and advise me later.

Mr. MCPHERSON: I shall have an answer for you in a minute, Mr. MacRae. You will notice that you mentioned the headquarters support and "F" company.

Mr. MACRAE: There is an "E" company and an "F" company now, but as you know, there was only an "E" company. An "F' company which is not normal with an infantry battalion, but because of the amalgamation of the Carleton and York and Scottish some years ago, an arrangement was made in order to pacify the people who are interested in keeping the militia alive. Of course, there is no necessity for that now because, as you and I know, there are four rifle companies in an infantry battalion. No mention is made here of "A" company, support company and headquarters company, which are the other three necessary companies of a battalion other than those three which are listed there. Are they all to be in Fredericton?

Mr. MCPHERSON: To explain our method of applying the establishment, a concentrated unit would have to work within a ceiling of 300. We are making provision for the kind of unit you referred to in order to permit an establishment greater than 300.

Mr. MACRAE: You mean a total establishment. We are getting away from the question I put, but I will ask a question on that. Will the full establishment of officers be permitted to an infantry battalion in a 300 total unit? It

used to be 36 officers, give or take one or two, but if the ceiling is 300 will it be entitled to have 36 officers, one lieutenant colonel, six majors and so on?

Mr. McPherson: The figure of 36 which you mentioned, is very substantially the one I always use. That is infantry officers excluding the doctor, the paymaster and that sort of thing.

Mr. MacRae: Yes.

Mr. McPherson: Well, the figure in an infantry battalion establishment is 41. In the new organization we will have 29 officers.

Mr. MacRae: That is the total, instead of 41?

Mr. McPherson: Yes.

Mr. MacRae: Then, I take it, Colonel, what you are saying is that the establishment will be, say, 300 all ranks with 29 officers, but it is not contemplated there will be any change whatsoever in the composition of an infantry battalion; there will be four rifle companies, a headquarters and support companies, and I presume that has not changed?

Mr. McPherson: Perhaps I should explain how the 300 is going to be made up.

Mr. MacRae: That is what I am trying to get at.

Mr. McPherson: Our feeling is if this re-organization is to have any meaning and if the militia is to be tied into the role of reinforcement or provision of a training force it would become incumbent upon the commanding officer to ensure that he has a group of individuals in his unit that are organized in such a way they can be both trained and used when they are required on mobilization. A concentrated infantry battalion would be required to maintain one rifle company at a strength of approximately 100 at all times. An infantry battalion would also have to maintain one support weapons platoon at all times and keep them trained. In addition, again talking about a concentrated battalion, there would be a training company which would look after training of recruits and of student militia. Also, it would have to carry on strength those officers or N.C.O.'s away on course and any of the miscellaneous personnel in the unit. In addition, of course, there will be the normal headquarters company, signals and other corps people. But, the object is to ensure that the battalion commander has in being this rifle company and a support weapons platoon, and I think the militia units can do it. To a greater or lesser extent this principle would be applied to the other corps. For a battalion that is decentralized, shall we say, with a greater establishment than 300 it might have three companies each of which would have one full establishment platoon trained at all times. That is the system we hope to introduce.

Mr. MacRae: Of course, that is all down on paper somewhere now.

Mr. McPherson: Yes.

Mr. MacRae: That is, it is a directive.

Mr. McPherson: Yes, it is ready to be commenced.

Mr. MacRae: But it has not been commenced up to date?

Mr. McPherson: No.

Mr. MacRae: In other words, you are not following in your establishment a battalion in the field. But again, using the name of the Black Watch, it is not the same thing at all as operating as they are at this moment. The Carleton and York militia will be on a different footing altogether. I will not disagree with what you told me. It is a new concept. It is not quite what we have been trying to do over the years. However it certainly is very different from what we have been doing. Do you not agree?

Mr. McPherson: Yes, indeed, I agree. We hope that by the summer of 1966 to have the militia commander take his operational company and support weapons platoon into summer camp for training, and to put three or four of these restricted establishment units together in order to form one, for battalion training. I think this is preferable and a feasible method of conducting collective training in the militia.

Mr. MacRae: Thank you. I think this takes care of my question.

Mr. Harkness: May I ask a question? How would this thing work out as far as the artillery is concerned?

Mr. McPherson: Because an artillery regiment has no headquarters company, it could have two or three batteries in a centralized location. So we would expect to have each battery produce one operational troop. Therefore two batteries in a concentrated region would produce two troops to make one battery, and in addition there would be a training battery to look after the courses and to do the training of recruits and student militia.

Mr. Harkness: In cases where you have batteries in towns other than where there are regimental headquarters, would they operate as regular batteries?

Mr. McPherson: Yes sir. Where they are separated, we are making the necessary adjustments to the establishment.

Mr. Harkness: In order to make certain that you are going to go to the older or the pre-1939 war, when the battery commander in effect was to a large extent commanding a unit rather than a regiment.

Mr. McPherson: Where the battery is isolated, this probably would be the case, although the regimental commander would still have command over that outlying battery.

The Chairman: May I interrupt? It is now 1 o'clock. I have on my list Mr. Winch and Mr. Lambert.

Mr. Lambert: No, I have finished.

The Chairman: Very well. I have Mr. Winch, Mr. McNulty, and Mr. MacLean still wishing to ask questions. Perhaps if we might remain for a few minutes we could conclude with them now, rather than meeting again this afternoon. Does that meet with the agreement of the committee?

Agreed.

Now, Mr. Winch.

Mr. Winch: Mr. MacRae led up to one phase which I would like to explore further. I understand from the answer to the question he received last Tuesday that when the new establishment is in operation, there will be one officer to 8 decimal something other ranks, let us say, one to 9—am I correct on that? Whereas as from Mr. MacRae's question it would appear to be one to 10.

Mr. McPherson: Prior to reorganization the establishment ratio was one to 13. But following the reorganization it would be one to 9.3.

Mr. Winch: I cannot quite put these figures together. I have been trying to cast my mind back in my own service, as a member, knowing that in my platoon there was an officer, and a sergeant, with three sections of 11; in each section you had a corporal or a lance corporal; and it was quite likely that in a rifle battalion you had one officer to 34 all other ranks, or one officer out of 30 privates. I admit, of course, that there were three platoons to a commander. In addition, you had other personnel at headquarters, such as one N.C.O., and two other ranks. You can go all the way through headquarters where you had your paymaster, and so on; but basically it was one officer to 34 other ranks, or one officer to 30 privates. That is how it was.

But under the new regime policy, there will be one officer to nine. I presume there must be a good reason for this ratio, but I think the logical question

is: What is the basic reasoning? Let us go back to my own experience of one officer to 34 all other ranks, and one officer to 30, where now you will have one officer to nine. Just what is the basic reasoning for all these many chiefs with these few Indians? This is an extraordinary ratio.

Mr. McPherson: The ratio you had experience with has changed over the years.

Mr. Winch: You are going to make an officer now the same as a lance corporal in charge of a section.

Mr. McPherson: I do not think you can relate the general ratio of officers and men of any unit to the ratio of officers to a platoon commanding 30 men. A platoon commander has 37 other ranks under his command. But when you apply it ratiowise to officers and men in a unit, it works out to the one I have given.

Mr. Winch: If you are going to have them, I take it to be one to 35 and one to 37. But if you are going to bring it down to one to nine or one to ten, you are not going to break up basically the ratio of the platoon. Are you not going to have a top heavy brass staff in order to take care of nine other ranks?

Mr. McPherson: The new militia platoon will be much smaller. It will be something in the order of a platoon commander, with about 20 to 25 men.

Mr. Winch: If you are going to have one platoon to a commander of 20 to 25 men, where are you going to keep the ratio of one officer to nine? How many are you going to take into your company at battalion headquarters?

Mr. McPherson: The rifle company still requires a second in command. The battalion headquarters staff must be taken into consideration. The doctor, the dentist, the paymaster, the quartermaster, the signal officer, and all these must be taken into consideration.

Mr. Winch: Do they not come under your headquarters company?

Mr. McPherson: They are all related. That is why the ratio was, as we have said, for an infantry battalion, one to 13. Now it will be one to 9.3. It is interesting to note that the ratio was one to 8.9 of the effective strength. It is generally recognized that militia officers have a problem in commanding a full establishment. Militia units do not have a full establishment, but we still need this kind of leadership. I will cite an example. If a militia officer today had in an armoury 37 men to look after, and you multiplied this by 12 platoons the armoury would be chock-full of people and you would not be able to do any training. So, there was really a limit on the number of other ranks a militia officer could train, administer and look after.

Mr. Winch: I am still confused. I know the four years I was in I was expected to be able to handle 35 to 37.

Mr. McPherson: That was during the war years.

Mr. Winch: As I said, this was during the war when I was in.

Mr. McPherson: That is correct. It was a fact that the officer had to look after a full platoon of men.

The Chairman: Does that complete your questioning Mr. Winch?

Mr. Winch: Yes.

The Chairman: Would you proceed, Mr. McNulty.

Mr. McNulty: I have just a short question in respect of the second page of the minister's statement in regard to the air force auxiliary. Forty light transport aircraft are mentioned as becoming available for disposal. Have you had any nibbles or any one showing any interest in these aircraft?

Mr. Hellyer: We should take that question as notice. There are quite a few Expediters that have been in surplus but I could not tell you offhand what the actual sales record has been.

The Chairman: Would you proceed, Mr. MacLean.

Mr. MacLean (*Queens*): I would like to put a general question in order to clear my own thinking in certain respects. I would like to have some clarification of the chronological sequence of the documents we have before us. I would like to know which are overriding. I have put this question because it seems, by inference, that the Hendy report which was presented in committee some time ago was acted upon by national defence headquarters and their decisions made known before the commission on the reorganization of the Canadian army militia, part II, was decided. Presumably, the commission in respect of the militia knew what the government decision with regard to the reserve navy was going to be before they completed their studies. Am I correct in this assumption?

Mr. Hellyer: I will try to be careful because I do not want to confuse the chronology of this. First of all, the three reserves were handled differently at the outset. As you recall, the government took decisions in respect of the naval reserve and the air force reserve, and referred the militia reorganization to the commission. Subsequently, at a meeting of the conference of defence associations, the associate minister and I agreed that we would have a committee set up to review what, in fact, we had announced in respect of the naval reserve and the air force reserve. This was done, and they reported. The associate minister announced we would not put the final stamp on those actions until part II of the Suttie Commission was in hand—that is, until they had reported to us. And, this was done. So actually, although, particularly in the air force, the units had been reduced to nil strength, the final decisions were not announced until Tuesday in accordance with the undertaking that had been given.

Mr. MacLean (*Queens*): I realize that and that is how I understood it was being done. But, the query I have is that in certain cases at least, so far as appendix 3 of the commission on the Canadian army, part II is concerned, they list where certain remaining militia units are going to be housed, and they comfortably house them in naval unit establishments. So, they must have had some prior knowledge that these naval establishments were down the drain, although the navy committee had recommended in some cases that they be retained. To be specific, I am talking about my own constituency, where all the remaining militia units in Charlottetown are listed as being housed in *Queen Charlotte,* although this defence committee was unaware until Tuesday what the decision of the government finally was to be with respect to *Queen Charlotte.*

Mr. Hellyer: I think they were merely putting this forward by way of suggestion because actually the final decisions in respect of the naval reserves were not taken by the government until last week. So, they certainly could not have had prior information because we had not finally concluded what we were going to do.

Mr. MacLean (*Queens*): But, I think it would be a matter of courtesy for them to stay in their own ship until the decision was made. To put it another way, I think it puts a tremendous weight on one side of the balance with regard to whether or not a navy reserve unit was going to be retained. It may be that someone else conveniently decided how their surplus facilities were going to be comfortably used after they were disbanded.

Mr. Hellyer: I assure you this was not taken into consideration in our final judgment in respect of naval reserves. There were the other factors.

Mr. MacLean (*Queens*): I think there has been a factor on one side of the balance and I think this is unfortunate. I think those interested in the naval reserves could feel that this was unfortunate in that regard. However, this brings me to another question, and I do not want to prolong this discussion.

There is a section in this report with regard to armouries and accommodation in some areas. For example, they give an argument for the need of additional armoury accommodation in Vancouver, and one of the arguments they advance—and, I have not the information right here at my finger tips—is that the Irish Fusiliers are badly housed.

Mr. HARKNESS: They are not going to be housed at all now.

Mr. MACLEAN (*Queens*): In my opinion, this argument now falls to the ground. In other words, this section on accommodation is no longer entirely valid owing to subsequent decisions made by the government.

Mr. HELLYER: That is correct.

Mr. LAMBERT: I have a supplementary question. Would the fact that the Irish Fusiliers were reported to be occupying substandard accommodation be a factor in determining whether or not they should get the axe.

Mr. HELLYER: It was one in that long list of factors I gave the committee on Tuesday.

Mr. MACLEAN (*Queens*): I have one further supplementary question in respect of this. In appendix 3 the Irish Fusiliers accommodation is listed as being the Seaforth armouries—that is, sharing their accommodation with the Seaforth Highlanders. Now, since they have gone out of existence to all intents and purposes and all they need, as the recommendation says, is a logical repository, I presume that some other militia unit will be put in the armouries with the Seaforth Highlanders, as a result of which there will be a shuffle in respect of the remaining militia units. As a result, the arguments put forth in the report will not be entirely valid with regard to Jericho beach and others.

Mr. HELLYER: The question of accommodation, particularly in large urban centres will be thoroughly studied on its own merits now that the reorganization will go forward so that we can make the best use of the facilities available.

Mr. MACLEAN (*Queens*): I suppose it is fair to assume in the case of militia units listed in the appendix, and in the decisions agreed to in the document dated October, that where they coincide and where there is no requirement shown for existing armouries, these armouries now are considered surplus.

Mr. HELLYER: Each one will have to be considered on its merits, but I think your assumption in most cases will prove to be true.

Mr. MACLEAN (*Queens*): I hope it does not, but if my assumption proves to be true in the case of some of these armouries, I would hope very careful consideration would be given to the ownership status of the property involved because in some of these cases these armouries go back a long way; they are very historic sites, so to speak, so far as the army is concerned. I am not concerned so much with armouries which have been provided in recent years entirely by the federal government, but in the case of the Charlottetown armouries, for example, that building and its site were transferred to the federal government in 1873 for $1. I hope it will not be handed over to the Crown Assets Disposal Corporation in the ordinary way, because I think some of these are more in a special category.

Mr. HELLYER: Your remarks will be noted, Mr. MacLean.

The CHAIRMAN: Colonel McPherson would like to make a statement in answer to a question.

Mr. MCPHERSON: Mr. Harkness asked for the number of service units which were not a part of a service battalion by virtue of their location. The answer is there are 13 which are not part of a service battalion.

The CHAIRMAN: That completes our questioning. We probably will be meeting next week again. I will be meeting this afternoon or evening with the Steering Committee to plan our future meetings.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

TUESDAY, NOVEMBER 17, 1964

DEPARTMENT OF DEFENCE PRODUCTION

WITNESS:

The Honourable Charles M. Drury, Minister of Defence Production.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21430—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Martineau,
Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Groos,	MacLean,	Smith,
Harkness,	MacRae,	Temple,
		Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, November 17, 1964.
(34)

The Special Committee on Defence met at 11.15 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Fane, Hahn, Harkness, Lambert, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Matheson, McMillan, Pilon, Smith and Winch. (14)

In attendance: Honourable Charles M. Drury, Minister of Defence Production; Mr. Gordon W. Hunter, Deputy Minister; Mr. William Huck, Assistant Deputy Minister; and Mr. Robert Keith, Financial Adviser.

The Chairman presented the Tenth Report of the Steering Subcommittee as follows:—

Your subcommittee recommends:

1. That the Committee meet on Tuesday, November 17th to hear a Statement from the Minister of Defence Production, the Honourable C. M. Drury, and Departmental officials.
2. That on Thursday, November 19th the Committee further consider the operational practices of the Department of Defence Production—dealing with specific programs.
3. That on Tuesday, November 24th the Committee consider the paper "Defence Expenditure and its Influence on the Canadian Economy", with officials from the Department of Defence Production in attendance.
4. That on Thursday, November 26th the Committee receive and consider a submission from the Air Industries Association of Canada, with Mr. David Golden the President in attendance.

On motion of Mr. Edmund Asselin, seconded by Mr. McMillan,

Resolved,—That the abovementioned report be concurred in.

The Minister of Defence Production, Mr. Drury, was called, and he presented a statement respecting the responsibilities and activities of that Department. The Minister was questioned on his statement and on related matter.

Agreed,—That a "Staff Summary" of the Department of Defence Production, copies of which were distributed to Committee members, be printed in the record. (See *Appendix "A"* to this day's Proceedings.)

At 1.00 p.m. the Committee adjourned until 11.00 a.m., Thursday, November 19, 1963.

E. W. Innes,
Clerk of the Committee.

21430—1½

EVIDENCE

TUESDAY, November 17, 1964.

The CHAIRMAN: Gentlemen, we now have our quorum. We are starting today, a series of meetings dealing with the Department of Defence Production. I have a Steering Subcommittee Report which I would like to present for your approval. The report is as follows:

1. That the committee meet on Tuesday, November 17th to hear a statement from the Minister of Defence Production, the Honourable C. M. Drury, and departmental officials.
2. That on Thursday, November 19th the committee further consider the operational practices of the Department of Defence Production—dealing with specific programs—(Bobcat and Provider).
3. That on Tuesday, November 24th the committee consider the paper "Defence Expenditure and its Influence on the Canadian Economy", with officials from the Department of Defence Production in attendance.
4. That on Thursday, November 26th the committee receive and consider a submission from the Air Industries Association of Canada, with Mr. David Golden, the President, in attendance.

Can I have a motion for the acceptance of the report?

It is agreed.

We have as our witness today the Minister of Defence Production, the Honourable C. M. Drury, and Mr. G. W. Hunter, the Deputy Minister. The Minister will begin with a statement, after which we will proceed to the questioning.

Hon. C. M. DRURY (*Minister of Defence Production*): I am very pleased indeed to have this opportunity to meet again with the committee and to try and throw some further light on the activities and responsibilities of the Deparment of Defence Production.

The last time that I had the opportunity of discussing the role of this department was on July 30, 1963, when, as I then mentioned, I had only had a relatively short period of time to go into departmental activities. However, I expressed my view that I had inherited a very efficient department. In the intervening 16 months my view as to the efficiency of the department has not changed but, on the other hand, the responsibilities and activities of the Department of Defence Production have changed and are continuing to change most significantly.

Unfortunately, I regret that it seems apparent that neither the primary responsibilities of the Department of Defence Production nor the additional responsibilities that have been placed upon the department during recent years and, in particular the past sixteen months, are fully aprpeciated.

I would, therefore, like to take this opportunity to underline that there were, in my opinion, the very best reasons for the establishment of the department in 1951 and that there are equally valid reasons for the continued maintenance of the department and the extension of its scope of activity at this time.

In my first statement to this Committee I stated that the Department of Defence Production was the "purchasing agent" of the Department of National Defence and, as such, was responsible for the procurement of goods and services for Canada's armed forces and the defence research board. The items purchased by my department include both the sophisticated and complex weapons systems that are fund in such fields as aircraft, electronics and communications, and ships and a wide range of goods and services that in many cases are not too different from those required by civilian departments.

During recent years as weapons systems have become more specialized, the problems of procurement have become more complex and these developments have necessitated a particularly close working relationship between my department, the services and our potential suppliers. This important part of the defence procurement program does not involve standard or routine procedures and those who are responsible for the carrying out of these activities must be not only skilled purchasing agents but also officials who are capable of appreciating the present and future potential of our economy in the fields of research, development and technology which can be proper assistance, support Canada's economic strength and future growth. It is important that we recognize these considerations and their importance in the execution of Canada's defence procurement policies.

It is my view that this distinctively Canadian approach, under which consideration is given to the matters that I have just outlined and where trained and expert civilian personnel are given the responsibility for handling procurement, is the best possible way to ensure that our defence purchasing will be as efficient and as economic as possible.

I think we should also remember that the Department of Defence Production was the subject of detailed scrutiny by the royal commission on government organization which not only concurred in the policy of a separate defence procurement agency but further recommended that the department should be made a central purchasing agency for all departments of the federal government—both civil and military. I shall refer to these recommendations at greater length later in my statement.

Under the provisions of the Defence Production Act, as Minister of Defence Production, I am also responsible for the organization and mobilization of the resources of Canada to meet the current and prospective needs of defence. This responsibility involves the development and maintenance of production capabilities and the assurance of the availability of the materials that are required for the defence production program. Accordingly, the Department of Defence Production not only purchases defence supplies but also assists the production of such items where appropriate. In addition, the department is responsible for defence development sharing and defence production sharing with the United States, defence export activities with other friendly countries and the coordination of Canadian activities in connection with the research, development and production program of the North Atlantic Treaty Organization.

I would now like to make some comments on the Canada-United States defence development and production sharing program. As I mentioned in my previous statement to this committee, this program, in essence, aims at the optimum utilization of the Canadian and United States defence industrial capability by providing equal opportunity for Canadian industry to compete with United States industry on the basis of price, delivery and technical competence to meet North American defence requirements.

The broad objectives of the Canada-United States program have been mutually agreed to be:

(*a*) To increase participation by Canadian industry in the production and support of North American weapons and equipment, and

(b) To co-ordinate the defence requirements, development, production and procurement of the two countries in order to achieve the best use of their respective production resources for common defence in line with the concept of interdependence and the integration of military arrangements.

Our joint program was one of the subjects discussed at the meeting of the Canada-United States ministerial committee on defence which took place in Washington last summer and I am most pleased that the full support of both governments was reaffirmed for continuation of the program with the agreed objective of assuring maintenance of a long term balance at the highest practical level in reciprocal procurement of items of mutual defence interest by the United States and Canada in accordance with the principles established by agreement with Mr. McNamara in 1963. A special study of the factors affecting this cross-border procurement is now being undertaken with a view to assuring maintenance of the rough balance over the next few years.

A very significant aspect of the program is the defence development sharing agreement. A memorandum of understanding on development sharing has recently been concluded between the United States and Canada which provides arrangements for participation by Canadian industry in United States defence development projects on a cost sharing basis. The projects being undertaken under this agreement are conducted in private industry with costs being shared by United States and Canadian governments and the Canadian firms concerned in appropriate case by case arrangements.

In addition to our Canada-United States program there has been increased emphasis on extending our efforts toward collaboration with our European NATO allies and other friendly countries in the field of defence research, development and production. Officials of my department are developing appropriate arrangements with the United Kingdom, France, Germany, Belgium, The Netherlands, Sweden, Norway and Denmark in this connection. In fact, at this moment members of a departmental team are abroad discussing specific projects under these arrangements.

In technical areas covered by these departmental activities Canadian defence export sales in calendar years 1962 and 1963 approximated $500 million and included such defence equipment items as Caribou aircraft, PHI and Doppler air navigation equipment, flight simulators, torpedoes, military pattern vehicles and a broad range of airframe, electronic and aero engine components and spares.

The international programs branch has been established to consolidate the activities of the Canadian commercial corporation with those of departmental personnel concerned with the Canada-United States defence development and production sharing program and the field of overseas defence exports and thus provide central guidance for all departmental activities in this regard.

The total of United States defence production sharing business placed in Canada in the period January 1, 1959-August 31, 1964 amounted to $838.4 million. In the period January 1, 1961-August 31, 1964 Canadian defence exports to overseas countries amounted to $153.6 million.

I would now like to refer to those responsibilities that have more recently been given to the department. Last year the government approved certain recommendations of the Glassco commission, which provided that the Department of Defence Production should be made a central purchasing agency for all departments and agencies of the federal government, both civilian and military, other than commercially oriented corporations. The government also approved recommendations that the department should be given additional responsibilities relating to the development of standard specifications, the development of warehousing and materials handling services for all departments

other than the Department of National Defence and for establishing a traffic advisory group to improve traffic management throughout the public service.

As a result of the careful consideration and study of these recommendations, the concept has emerged of an integrated supply service by which the now existing procurement and service branches of the department are being augmented by new units that are, or will be, responsible for such matters as specifications, cataloguing, regional purchasing, warehousing, traffic management and quality assurance.

Another recommendation of the Glassco commission involving the Department of Defence Production on which action has been taken by the government involved the transfer of certain responsibilities including both procurement and printing functions from the Department of Public Printing and Stationery to the Department of Defence Production. During the past year the activities of the former procurement, purchasing and stores branch of that department, which was responsible for the procurement of office machines, stationery and forms, has been integrated into the Department of Defence Production, and the activities of the Canadian Government Printing Bureau have been made a responsibility of the department. These latter responsibilities include the carrying out of printing operations at the bureau in Hull, the operation of outside printing units and those of an administrative nature which relate to such work. As you may recall, I outlined the various steps relating to the transfer of responsibility in some detail at the time of the consideration of our departmental estimates.

I would also like to draw to your attention the fact that the operational branches of the department have been reorganized on the basis of major industrial groupings. The ten operational branches based on these groupings, which also conform to the structure of the Department of Industry, are aircraft, electrical and electronics, machinery, shipbuilding, clothing and textiles, materials, food products, wood products, chemicals, and mechanical transport. In addition, the service units of the Department of Defence Production, which might be described in general terms as financial and administrative, are now providing appropriate services of this type to both the Departments of Defence Production and Industry. I think that this is one of the points that has been often overlooked when observations have been made as to the expansion of the department.

I trust that I have succeeded in giving you an appreciation of some of the additional activities that the Department of Defence Production has assumed since July, 1963.

The great variety of items that the department is called upon to procure and the expenditures that represent such procurement are indeed impressive. Between April 1, 1951, which is the date of the establishment of the department and the end of 1963, over $10½ billion has been expended on requirements for the Department of National Defence. The following expenditures were made in the calendar year 1963 against all contracts issued by the Department of Defence Production as detailed in my 1963 report to Parliament:

Department of National Defence	$ 523,551,000
Department of Defence Production—Votes in support of defence industry	16,776,000
re foreign governments	189,288,000
Canadian external aid	21,079,000
Other	3,325,000
	$ 754,019,000

The volume of procurement activity during 1964 will, no doubt, exceed 1963 as it will include procurement of those items previously purchased by the procurement, purchasing and stores branch of the Department of Public Printing and Stationery and also purchasing activities that have been carried out on behalf of a number of departments and agencies, including the Departments of Citizenship and Immigration, Public Works and Civil Defence College.

In addition, there is, of course, the substantial volume of liaison and promotion work which relates to the Canada-United States development and production sharing program and our overseas defence exports as well as the provision of assistance to Canadian contractors in the area of foreign subcontracts.

As I have already informed the members of this committee, it is our policy to buy, whenever possible, at firm prices, obtained as a result of invitations to tender that are issued to those known sources, who have given evidence of ability to do the type of work involved. The department does not advertise its requirements. One of the reasons for this, apart from cases of classified items, is the problem of reaching suppliers, who are located all across Canada. Instead, the department maintains "source lists", on which are entered the names and addresses of potential suppliers. As each requirement arises, invitations to tender are sent to firms whose names appear on the source list for such items. I would like to repeat the fact that it is our departmental policy to place on these lists the names of all Canadian suppliers who have indicated a desire to be listed and given evidence of ability to fulfill contracts.

Athough procurement on a firm price basis, established through competitive bidding, is our basic departmental policy, there are occasions when this method is either impossible or impractical; in such cases prices must be established by some form of negotiation. Cases of this type include: (1) lack of competing sources of supply; (2) lack of, or indefinite nature of, specifications; and (3) proprietary rights.

Many of our major production contracts for complex defence systems must be negotiated because of either one or a combination of the three factors outlined above. In this type of situation a great responsibility falls on the shoulders of the contracting officer to apply more effective contract pricing on purchasing negotiations. Indeed, it has only been possible to move away from cost-reimbursable type contracts towards firm price and incentive type contracts in these defence systems areas because we have continuously upgraded the calibre of our contracting personnel. It has been necessary to recruit more knowledgeable officers with experience in production management, industrial engineering, cost and financial accounting, and contract negotiation techniques. These skills are necessary in an environment where normal competitive market pricing conditions are either imperfect or totally absent. Hence, the contracts officer substitutes through skilled negotiation the competitive market pressures that are always exploited in good normal commercial buying work. Although the salary costs of these more skilled contracts officers have increased, these costs are more than offset by reduced contract costs and improved service. For example, on the basis of a cost plus fixed fee contract for maintenance of the mid-Canada line, costs were $14.64 million in 1958/59. As greater skill was obtained in the negotiation of more sophisticated contracts with incentive fees and bonuses, each succeeding contract resulted in lower costs to the crown. While the specifications and conditions at the various sites have remained unchanged, the 1963/64 maintenance costs for the mid-Canada line were reduced to $9.46 million. At the same time, standards of performance and service have improved.

During the past several years the United States government has pioneered many new project management techniques, such as PERT, by which I mean the program evaluation and review technique, that have proven most success-

ful in improving the manner in which complex defence systems contracts are managed and costed. The main object of these new techniques is to improve the manner by which time factors, cost factors and technical reliability factors are administered on the items under development and production. At the present time the Department of National Defence and the Department of Defence Production are working together in a joint program to utilize these new methods in a concerted way. As a result of the establishment of a new integrated programming group in the Department of National Defence, the Department of Defence Production is meshing its project management approach with them to create a more effective project management capability on these major defence contracts.

Significant achievements have been realized through the introduction of phased delivery contracts for major items of sized clothing and standing offer agreements for non-sized items of commercial production. These methods will enable my departmental officials to purchase at lower prices, achieve lower administrative costs and at the same time reduce the inventory position of the Department of National Defence.

During the course of the Glassco investigations of defence production, criticism was directed towards the department because it took too long in some areas to process its work. For several years this problem had been recognized by defence production and steps were introduced to streamline the operations in all of our regional offices in Canada. Following the tabling of the report by the royal commission on government organization, this matter was investigated again and a schedule control system was introduced to departmental procedures at headquarters. Essentially this system is designed to put a "time control" on the normal work flow of the department. This system has been installed in one of the ten headquarters branches and steps are now being taken to introduce it into the other nine. It is hoped that when the program is complete in a year's time, that the basic problem outlined by the Glassco investigators will have been remedied.

I believe that we have a well trained, competent and enthusiastic departmental staff. There were close to 1750 employees in the department in 1952 and, despite the continued introduction of improved buying techniques, it was possible to reduce this total to 1441 by March 31, 1959. Since that date, the increased responsibilities of the department, including the transfer of the Canadian Commercial Corporation, production sharing and defence export activities, establishment of the emergency supply planning branch, the transfer of functions and staff from other Departments, the formation of the Canadian government supply service and the provision of service functions to the Department of Industry, have resulted in an upwards move to 1829 as of August 31st of this year.

I would submit that once these figures are considered against the background of the total responsibilities of the department and not merely in reference to the volume of expenditures on contracts placed for the Department of National Defence, it will be clear that the increase over the past few years is in line with the work being done.

In closing, I would like to express the hope that I have succeeded in presenting an outline of some of the most significant activities of the Department of Defence Production. I have not attempted to deal with the precise accomplishments of the individual branches or with such activities as regional purchasing or those of the emergency supply planning branch.

The CHAIRMAN: Thank you, Mr. Drury. We can now proceed with the questioning. I would suggest that in our questioning we try and stick to the matters covered by the minister's statement and at this stage keep away from specific programs. At our next meeting we will be dealing with specific pro-

grams and we will then have an opportunity to look at such things as the Bobcat and the Provider programs. I would suggest we should leave that sort of discussion until we have heard that presentation.

Mr. SMITH: Should we not confine our questions to that part of the minister's statement which deals with defence procurement and defence matters? There were certain parts of it that went somewhat far afield and I do not know whether we have any authority as the defence committee to go beyond defence matters.

The CHAIRMAN: Essentially we are concerned, by our terms of reference, with defence. Whether we can include the whole Department of Defence Production under that umbrella I am not too sure.

Mr. SMITH: I would think not.

Mr. WINCH: Mr. Chairman, I have two basic questions and I assure you they are related to the presentation made this morning by the minister. May I just, by way of introduction, say that I also have the privilege of being a member of the Public Accounts Committee. The Public Accounts Committee has been interested in the relationship between the Department of Defence Production and the purchases and disposal through the Crown Assets Disposal Corporation. So intrigued was the committee with that question that a special subcommittee was appointed on this matter, and it is because of the studies of the subcommittee of the public accounts committee itself that I have been trying to do some homework in preparation for today's and the subsequent meetings of this committee dealing with the Department of Defence Production.

Mr. Chairman, I would base my first question on the first part of the second paragraph on page 15 of the minister's presentation this morning where he said:

> I believe that we have a well trained, competent and enthusiastic departmental staff. There were close to 1,750 employees in the department in 1952, and, despite the continued introduction of improved buying techniques it was possible to reduce this total to 1,441 by March 31, 1959.

I am rather intrigued that the minister should have only brought us up to the date of March 31, 1959. I think my question will explain my interest. In my homework I discovered these facts: In 1952 there were 1,744 of a total staff, and the value of contracts placed in 1952 amounted to $1,608,784,000.

Now, just going to 1959, although I have it for every year, the minister gives information to March 31, but I have the entire year of 1959; and in that year there were 1,463 on the staff, and the value of contracts placed amounted to $667,133,000.

I want to go, as a result of my studies, beyond where the minister did, to the end of 1963. In 1963 there were 1,611 on the staff, and the value of the contracts placed according to the official records is $681,968,000. So therefore, Mr. Chairman, you will see my question is this: that from 1952 when there was a staff of 1,744 to the end of 1963 with a staff of 1,611, there was a drop in staff personnel of 133, and in the value of the contracts placed from 1952 there was a drop from $1,608,784,000 to $681,968,000 in 1963.

I have asked the minister if he will relate the drop of approximately $1 billion in value of contracts between 1952 and 1963 to the drop of 133 in personnel in 1952 to 1963.

Mr. DRURY: Mr. Chairman, I am not sure that one can provide a direct relationship between the dollars of contracts placed and the number of people on the staff. The Department of Defence Production consists almost entirely of what in business terms would be known as "overhead". I think that all the

members of the committee are well aware that if an operation is to be a continuing one, the rise and fall of overhead cannot be directly or immediately related to the rise or fall of the total business transacted. Even though there is a reduction from year to year, or from one year to another in the total volume of business done by any of the branches, the Department of Defence Production is still under an obligation to maintain in being the competence necessary to pick up the load again if and when it arises.

It would perhaps be misleading to try to work out some kind of direct relationship between the total quantum of contracts placed and the total size of the staff. I will also point out that in examining the total volume of contracts placed in 1952 one has to look at bit at the nature of these contracts. It requires no more work to negotiate the placing and supervising of a contract for 4 million bullets than it does to place, negotiate and supervise a contract for only 200,000. Indeed, the latter may be more difficult if it is an uneconomic run.

For this reason I think it is perhaps misleading to try to evolve a direct relationship between dollar volume of contracts placed and the size of the staff.

Mr. WINCH: Surely, Mr. Chairman, the Minister with all his knowledge in business is not going to tell us that basically this is correct. I have here every year. The year 1954 was the last year in which the value of contracts placed was over $1 billion. At that time there were 1,509 employees. From 1954 to the end of 1963, the government again has the value of contracts placed approaching the $1 billion mark. As a matter of fact in 1955 it was $744,100,000; and the highest placed since then was in 1960 at $798,830,000. I have given the figure for 1963. Is the minister honestly telling us that there is no relationship, or rather that there is a relationship which is quite understandable, permissible, and efficient as between 1,661 negotiating and handling contracts of $681,000,000, and 1,672, to 1,744 in 1952 handling over $1,600,000,000; and of 1,509 handling $1,291,378,000 in 1954? How long would private business stay in operation if it operated on this basis?

Mr. DRURY: The test I suggest is not the number but the efficiency with which individual transactions are included. I pinpointed it in the example given of substantial savings to the taxpayer as a consequence of more work and more skilled work put in in negotiating a contract for the maintenance of the mid-Canada line over the years. This has been the result, as I say, both of more work and more competence. This resulted in substantial savings, and it would, I suggest, be false economy to cut back on either competence or the number required to effect these economies merely and achieve the same kind of arithmetical relationship between the total number of staff of the department and the total volume of business included on behalf of the Department of National Defence.

Mr. WINCH: The minister in this last contribution has mentioned efficiency three times, so I think that it will lead into my second question. On pages 7 and 15 we have the only references in this 15 page presentation to the Canadian Commercial Corporation, and it will be found in the first paragraph on page 7, where there is just a very brief mention, and in the last half of the second paragraph on page 15, with just a very brief mention of the Canadian Commercial Corporation. Now, Mr. Chairman, I am hoping that by asking this question the minister will agree to provide us with a fuller statement of the position, and of the authority of the Canadian Commercial Corporation inside the present set-up of the department.

Mr. Chairman, I think this is a most important matter, because I have in front of me at the moment the revised statutes of Canada, 1952, chapter 35,

an act to establish the Canadian Commercial Corporation. I refer to section 4, and I quote it as follows:

4. (1) The corporation is established for the following purposes:

(a) to assist in the development of trade between Canada and other nations;

(b) to assist persons in Canada

(i) to obtain goods and commodities from outside Canada, and

(ii) to dispose of goods and commodities that are available for export from Canada.

Now, Mr. Chairman, I would like to ask the minister what is the position of Canadian Commercial Corporation today? What is the power of its operations? Are you not just using it as a word or name, by statute, for your purchases? Is it not correct that for all nominal purposes and as an establishment on the basis of efficiency the Canadian Commercial Corporation has been brought to absolute ruination and incompetence except in name?

Just so we may get it all together, is it not correct that starting in the last half of 1963 the president and general manager was relieved of all responsibilities, although he still has an office and secretary, and is on salary? Is it correct or not that the senior officers and trained personnel—some of them having over 25 years experience with this particular phase of purchasing within defence production—have been transferred to other positions not having to do with defence production or Canadian Commercial Corporation, and that a great many of the senior men of long experience are no longer being utilized, but are still on staff, and that the majority of the work of defence production is not basically being done now by experienced personnel who have up to—as near as I can find out—some 25 to 30 years of business experience in this particular field, and that their work is now being done by a branch of personnel of defence production with no previous experience in business or in this particular phase?

This is a study of my homework within the past four weeks, and I believe that we are entitled as a committee to a very full explanation not only on the status of the Canadian Commercial Corporation but also on the authority of the officers of Canadian Commercial Corporation as to what happened, and what utilization is now being made of the senior personnel who did the purchasing over those years, and who I now understand, if they are not figureheads, are doing other work?

I put it as bluntly as that because, as I said before, my four weeks investigation as far as I could go have left me most disturbed in mind, and I hope we will have a very full and detailed explanation of the various matters which I have mentioned to this committee. I had to present it as an entire picture, otherwise I did not think I would have been fair to the minister.

Mr. DRURY: Mr. Chairman, Mr. Winch ends his remarks by saying that he hopes he would have a clear agreement from me to his statement.

Mr. WINCH: No, I am sorry.

Mr. DRURY: Let me say at the outset that I most emphatically disagree.

Mr. WINCH: Well, let us have the evidence.

Mr. DRURY: Everyone can go back a bit. It will be recollected that the Canadian Commercial Corporation was in effect the genesis of the Department of Defence Production.

Mr. WINCH: But the act has not been repealed.

Mr. DRURY: It has not. It undertook on behalf of the government to do procurement for the Department of National Defence. As this work developed

it was found useful to have a crown corporation which could act on behalf of, and in the name of foreign governments which wished to purchase defence supplies in Canada; so from its early days Canadian Commercial Corporation had two functions, one, procurement on behalf of the Canadian armed forces; and, two, procurement on behalf of foreign governments, foreign powers, of defence equipment. As the level of activity in respect of domestic defence procurement rose, very sensibly the Department of Defence Production was established to take care of it. You yourself have indicated the volume of work transacted by the Department of Defence Production and the extent by which it has grown. Canadian Commercial Corporation continued and still continues to perform a useful function acting as agent for and on behalf of foreign governments which wish to have an agency of the Canadian government contract on their behalf for procurement of defenec and other supplies in Canada. This function has over the years been carried on by Canadian Commercial Corporation, the work being transacted in the name of the Canadian Commercial Corporation; but over the years more and more of actual negotiation and supervision of contracts entered into in the name of the Canadian Commercial Corporation has been performed by the line staff of the Department of Defence Production.

As one knows, a crown corporation does not come under the normal rules of the Civil Service Commission, and in its initial stages, steps were taken to make it self-supporting in financial terms. A commission was charged to the user of the services of Canadian Commercial Corporation, and a charge was made to foreign governments; and out of the revenues and commissions so earned, Canadian Commercial Corporation was able to pay its employees and maintain itself on an annually favourable balance. With the competition which, however, developed for the sale of defence equipment to foreign governments, the experience was that if the Canadian Commercial Corporation was, in addition to the purchase price of the goods involved, required to charge a commission on top of this, we would cease to be competitive. Gradually, from the mid 1950s, exceptions were made for increasing the number of this practice to charge commission to foreign governments. By last year this exception to charging commission had become the rule, and it was found that the Canadian Commercial Corporation which initially enjoyed substantial revenue from commissions, no longer had any revenues; and in fact it was in name a crown corporation, but with no source of revenue at all; and the bulk of its work was being done by the line officers of the Department of Defence Production.

As a consequence it was agreed last year formally to transfer the responsibility for direct negotiation and contract supervision fully to the Department of Defence Production, and also to transfer to the civil service on the staff of the Department of Defence Production the bulk of the employees of Canadian Commercial Corporation, because it enjoyed the establishment of a good reputation in efficiency, and integrity with foreign governments.

It is clearly in our interest to allow Canadian Commercial Corporation to exist as a mechanism, and the name with it, through which foreign governments can continue to contract. The only difference is that while contracts are now negotiated in the name of the Canadian Commercial Corporation by Department of Defence Production line officers, the work which formally had been done by Canadian Commercial Corporation now formally is done by, and is the responsibility of the Department of Defence Production.

Mr. SMITH: What do you mean by the term "line officers"?

Mr. DRURY: Line officers are line officers.

Mr. SMITH: I am referring to the civilian organization.

Mr. DRURY: These are the officers I referred to in my statement as contracting officers within the department.

Mr. SMITH: You mean contract negotiators?

Mr. DRURY: That is right. I make the distinction because Mr. Winch did suggest that the experienced purchasing officers of Canadian Commercial Corporation had been pushed into the personnel department of the Department of Defence Production, that is, the personnel branch of the Department of Defence Production, which is composed of staff officers. I am sorry if I am a little oblique. This then is the situation, and the officers of experience and competency in Canadian Commercial Corporation are now performing within the Department of Defence Production as employees of the civil service of Canada rather than of a crown corporation, those functions with which they were and are qualified, and I would certainly take exception to the statement that this recommendation of the development of procurement methods for foreign contracting has meant the ruination of Canadian Commercial Corporation. This I would suggest most strongly has been an evolution looking towards greater effectiveness and greater efficiency in procurement on behalf of foreign buyers, and to the useful consequence that we are more competitive rather than less so.

Mr. WINCH: Might I ask the minister a subquestion.

The CHAIRMAN: I wonder if you would mind keeping your questions as brief as possible, because there are other members who wish to ask questions.

Mr. WINCH: I would like to ask by what authority has the power of the corporation been transferred from the corporation to line officers?

Mr. DRURY: I am sorry, but I am afraid I do not follow you.

Mr. WINCH: I ask you by what authority has there been a transfer of authority of the corporation as outlined in section 4 of the act to line officers? How far does this extend. You only mentioned foreign nations and purchasers; but the section reads: "to dispose of goods and commodities that are available for export from Canada; to assist in the development of trade between Canada and other nations". Would you tell us where our experienced officers of Canadian Commercial Corporation are now?

Mr. DRURY: Well, in relation to your second question I do not think I have the answer as to who they all were and where they are precisely now.

Mr. WINCH: Could you find it out for us?

Mr. DRURY: I would be glad to do so.

Mr. WINCH: Where was authority ever transferred to the line officers.

Mr. DRURY: The organization of the Canadian Commercial Corporation is a matter of determination under the statute by the directors of the Canadian Commercial Corporation.

Mr. WINCH: Under what section?

Mr. DRURY: I do not know what section of the act it is, I do not have it here.

Mr. WINCH: Well, I have.

Mr. DRURY: I am sorry. I do not have that one. But I think you will find that the directors are responsible for controlling the activities of the corporation.

Mr. WINCH: There is no transfer of powers that I can see.

Mr. DRURY: Now when you say transfer of powers, there has been no transfer of power from Canadian Commercial Corporation to anyone else. The Canadian Commercial Corporation still enjoys the same powers which were conferred and continue to be conferred upon it by the statute to which you made reference.

Mr. WINCH: Does its own staff do the work now, or is it done by a branch of the Department of Defence Production?

Mr. DRURY: The bulk of work on contract negotiations and contract supervision in relation to contracts executed in the name of Canadian Commercial Corporation is now being done by the officers of the Department of Defence Production.

Mr. WINCH: It is not being done by the staff of Canadian Commercial Corporation?

Mr. DRURY: That is correct.

The CHAIRMAN: Now, Mr. Harkness.

Mr. HARKNESS: Well, on page 5 you mention something about a production sharing arrangement with the United States and in accordance with the principle established by agreement with Mr. McNamara in 1963. What difference, if any, is there between the defence sharing arrangement with the United States at the present time compared to before this date, whatever it was, in 1963?

Mr. DRURY: In 1963 two significant changes were proposed; in one, it was agreed that there would continue to be as between the two countries a rough balance maintained at the highest practical level. This particular feature had not been covered in the earlier arrangement between the two countries.

Mr. HARKNESS: I disagree.

Mr. DRURY: Well, you are entitled to disagree.

Mr. HARKNESS: I disagree on the basis that I discussed the very point personally with Mr. McNamara on two or three occasions, and there was a general agreement we had at that time, that we would try to keep these things roughly in balance.

Mr. DRURY: This understanding then—if I may put it another way—was not incorporated in any document to which I had access.

Mr. HARKNESS: No, I think perhaps it was not incorporated in any documents.

Mr. DRURY: Where is it now?

Mr. HARKNESS: It is now incorporated in a document. That is one difference; it is in a document rather than merely a verbal understanding. What other difference is there?

Mr. DRURY: The second one was the evolution of an analagous or similar agreement in relation to developments. The sharing of weapons development costs was a new area which had not been covered previously. The earlier arrangement related to the program of production sharing. A somewhat similar arrangement was made in 1963 to cover the development contracts as distinct from production contracts.

Mr. HARKNESS: Well now, in connection with production sharing arrangements and, more particularly, our efforts which have taken place over many years, which are referred to at page 6, with the rest of our NATO allies, particularly the European NATO allies, what is the status at the present time of the sort of general agreements which were arrived at to the effect that certain programs would be developed by different nations with the understanding that there then would be an effort made to get common procurement of these items?

Mr. DRURY: Mr. Chairman, I think, as Mr. Harkness is only too well aware, there really has not been spectacular progress made in implementing the agreement in principle or the general agreements within the NATO alliance, looking to the adoption of common user items and single source manufacturing. The Department of Defence Production has been trying to pick out individual

projects which appear to have some chance of success, and concentrating its efforts on these individual items, and putting a real drive on them rather than trying to argue the case for the global or over-all implementation of the agreements in principle. And, in this we have had some success, whereas in respect of others we have not made too much progress.

Mr. HARKNESS: I take it that, generally speaking, from what you say, the general situation in respect of getting common user items is not much farther ahead than it was three or four years ago?

Mr. DRURY: I regret that is the case.

Mr. HARKNESS: I think one of the most regrettable things so far as the NATO alliance is concerned, is that so little progress has been made in this regard. There is no question that it would add very greatly to the advantage both of financing and of the fighting efficiency of the alliance if success could be obtained in that regard.

Now, what specific items are on our list for development by agreement with our NATO allies at the present time?

Mr. DRURY: Well, let me say at first there is no item under development with all of our NATO allies. We have not been able to find a single item in which all of the partners in the alliance can agree. And, there are a number of items on which we have been able to conclude arrangements on either a bilateral, trilateral or, perhaps, wider basis and I will give you some examples of these. One of them is a development sharing arrangement with the United Kingdom on a battle field reconnaissance drone, known in the trade as the CL 89, currently under development by the Canadair plant. The financing of this is being done jointly by the United Kingdom and Canada. Another is an anti-tank weapon, which is new, known as the M72. The production of it is being jointly financed by Canada and Norway. This has been a shared production with some portions being produced in Canada for not only ourselves but also one other NATO partner, namely Norway.

In respect of prospects of agreement, without, in fact, agreement, I might cite the counter mortar radar. It will be recollected that the National Research Council had very considerable success early in this field in respect of the counter mortar radar, and a new set, financed as a Canadian development to meet the specifications laid down by NATO for the whole of Canada, is underway.

Mr. HARKNESS: This was one of the items which was on Canada's list of items to be proceeded with by joint agreement.

Mr. DRURY: One would have hoped perhaps that in respect of this item, if it were agreed that we, Canada, would go ahead and develop this, then there would not be a duplication in this effort made by other countries. However, we have hopes that because of the technological attention to the Canadian set this will be adopted, if not by all, by at least a number of members of the alliance. Another novel and, in my view, very useful development, has been a tank navigation aid, developed to meet the Canadian Army requirements and financed entirely by Canada. This item, in terms of cost effectiveness and the usefulness of its function, in our view, looks like a good prospect for adoption by all or many of our partners.

Mr. HARKNESS: Is that not now fully developed?

Mr. DRURY: Well, in the sense that anything ever can be fully described as being fully developed. It is now ready to go into production.

Mr. HARKNESS: That is what I meant.

Mr. DRURY: Yes.

Mr. HARKNESS: Well, in respect of these lists which were agreed upon, I think, four or five years ago, are these items still in existence and are they recognized as, say, specific fields in different countries, with the final hope that when an item such as this navigation equipment is brought to the production stage, other countries will acquire these things.

Mr. DRURY: That would be our hope.

Mr. HARKNESS: In respect of this agreement of some four or five years ago—and Gordon Hunter will remember the time better than I do—are these lists still, say, valid, or is any attention being paid to them?

Mr. DRURY: Attention is paid to them. They have not served the purpose which I think at one time we hoped they would; there is no question about that. They are, however, still valid. Periodically they are revised and I am told they do form the basis on which we make our assessment of the likely usefulness of projects for development with regard to NATO.

Mr. HARKNESS: Have these lists of NATO, which in the last two years have been under discussion, been revised and brought up to date, or has this thing sort of been set aside?

Mr. DRURY: Last year we took the initiative in trying to get them into a more active state and have more use made of them and greater acceptance. This had some positive reaction, but again, like the earlier demarche, they were not as acceptable as we would have liked them to be.

Mr. HARKNESS: I would hope that Canada would press this as strongly as possible, because I think it is a matter of extreme importance to the alliance and each country within the alliance.

Mr. DRURY: I agree.

Mr. HARKNESS: I have two other questions on different matters.

The CHAIRMAN: I wonder if Dr. McMillan might ask a question on this topic?

Mr. HARKNESS: Certainly.

Mr. MCMILLAN: I am wondering about the cost sharing agreement with the United States. You give the figures over six years of roughly $838 million, or approximately $140 million a year. Is that figure remaining constant, or is it going up or down?

Mr. DRURY: In respect of the $140 million a year which you mention, there are two methods of analysing this trans-border operation. One is on the basis of contracts placed, and the other is expenditures actually made under the program. This figure here is given to you on the basis of contracts placed. The amount of contracts placed will vary substantially from year to year, because, to cite a case in point, when the contract for the 104 mutual aid aircraft was written it was to be executed over a period of some four or five years. However, in terms of contracts placed, this produced a huge sum in one individual year. I think this was done in 1962, if I remember it correctly, and the level then of contracts placed in that year rose to one quarter of a billion dollars. This did not reflect itself, of course, in a corresponding amount of expenditure in the same year.

In relation to your general question in respect of whether this volume of business—I think this is what you mean—has been going up or has been going down, at the moment pending the delineation of the Canadian armed forces procurement program, the level is remaining fairly steady. One would hope, and expect, that when the procurement program of the Department of National Defence—their new procurement program—is determined and put into operation, the level of the volume of business conducted under the production sharing program would increase both ways.

Mr. HARKNESS: On page 11 you state:

> —it is our departmental policy to place on these lists the names of all Canadian suppliers who have indicated a desire to be listed and given evidence of ability to fulfil contracts.

There is a difficulty here so far as new firms are concerned. How does a new firm get on the list of people invited to tender when they have not been able to give evidence of their ability to fill contracts? I know this is a difficult question. I had some personal experience in respect of this matter when I was minister of defence. There were complaints from various new firms in particular to the effect that they were not able to get on the list, or receive invitations to tender because they had not been in a position to give this evidence of ability to fill contracts.

Mr. DRURY: The first step, in really over-simplified terms, is for a company or a firm to indicate its desire to tender on contracts and to execute contracts if they are successful in the bidding. The next step is for the firm in question to fill out a qualifications questionnaire which, as I understand it, is assessed. The submission of the questionnaire and its assessment is followed up by a visit of an evaluation team from the Department of Defence Production to the production facilities in question. The facilities evaluation team is required to make a judgment. This is a judgment of whether, in the light of its experience in a number of other previous circumstances, the facilities, both physical and human, are adequate to do the kind of work the managers of the firm would like it to do. If there is in existence a firm with a plant staffed that can be looked at, I do not think there probably very often arises a problem. However, where a man desires to get into a certain line of business and does not want to make the investment in plant, machinery and staff until such time as he has a contract, then I would agree there is a problem.

I really do not know the answer to this. In private commercial practice there are occasions when the management of buying firms is prepared to make an assessment as a banker does of a man's ability to organize production and bet on it. We in the government, however, I think have a responsibility to ensure to the Department of National Defence that they will get what they have requistitioned of us in the quality and in the time asked for. Perhaps there is—and indeed perhaps there should be—an element of co-operation on the part of the Department of Defence Production not to take gambles on the ability of people who would like to get into business to produce when there are known facilities for contracting for something and at a reasonable price.

Mr. HARKNESS: What this comes down to is that the man who already is established and who has done business with the department has a terrific advantage over anybody who is trying to get into any particular business of this kind.

Mr. DRURY: Well, I would be foolish to deny that a habit of doing business with the government does not give you an advantage in continuing to do so compared with a man who has not been in the field before. There is some advantage. But, I would suggest this advantage would be minimal in the case of a man who had the plant and staff which were susceptible of evaluation, and who desired to do business with the Department of Defence Production but had not previously.

Mr. HARKNESS: Well, I would suggest on the basis of two or three examples, which I do not want to quote, this is an area in which perhaps some care should be exercised and in which improvements could be made.

Mr. DRURY: I am sorry, but did you say that some care should be exercised?

Mr. HARKNESS: Yes, first, in refusing to notify particular firms to tender and, if they do tender, being extremely suspicious in respect of whether or

not they can do the job properly and thus saying on the evidence of their inability to fulfill contracts that their tender is thrown out?

Mr. DRURY: Well, I will accept this admonition and look at it.

Mr. HARKNESS: I did not put it forward as an admonition; I put it forward on the basis of some experience and as one of the difficult areas with which we have to deal. I recognize it is a difficult area but it is also one in which I think some Canadian citizens and businessmen perhaps at times are unfairly discriminated against.

Mr. DRURY: I think we should continuously be on guard against those possibilities which is, I suppose, endemic in all large organizations—and I do not limit this to a government democracy—to play it safe and to reject it because it is not 100 per cent safe in respect of any proposal which does represent useful enterprise. I would agree with that.

The CHAIRMAN: Does that complete your questioning Mr. Harkness?

Mr. HARKNESS: I have one other question. I notice that the increase in numbers of staff in 1963 and up to August of 1964 has been extremely rapid. The increase taking place from 1959 up to that time was relatively quite small, and then you have a very rapid increase. What is the reason for the rapid increase in the last 1½ years? Most of these things which you list in this sheet are for things that took place before that.

Mr. DRURY: I am not sure I would agree with that, Mr. Chairman. One item which we have been just discussing is the transfer of the staff of the Canadian Commercial Corporation to the Department of Defence Production. Another is the bringing into the department or the strength of the Department of Defence Production the emergency supplies branch which previously was under the emergency measures organization. Another is the transfer to the Department of Defence Production, in numbers anyway, of the Canadian government printing bureau.

Mr. HARKNESS: But that figure is not included in this.

Mr. DRURY: When you say that which figures are you looking at?

Mr. HARKNESS: The ones on the sheet supplied to us.

Mr. DRURY: Oh, yes. These add up to a total of 430.

Mr. HARKNESS: Yes.

Mr. DRURY: Or, netting a figure of 430.

Mr. HARKNESS: There has been approximately 225 added to this list in the last 1½ years.

Mr. DRURY: Yes. Now, do you want me to run through this memorandum or to elaborate in any particular?

Mr. HARKNESS: Well, I want an explanation of why there has been such a rapid increase in the last 1½ years. The only thing so far from what you have said which would explain that would be 85 from the Canadian Commercial Corporation and the emergency supplies planning branch. Now, I do not know whose staff the emergency supplies planning branch was on before but, in any event, the Department of Defence Production was doing most of that work previously.

Mr. DRURY: That is correct, they had, although it nominally came under the emergency measures organization.

Mr. HARKNESS: Yes, but you people were actually doing it.

Mr. DRURY: I am told, doing it in quite a modest way. This is now a rather larger organization, including a number of officers outside of Ottawa, who are regional officers. The largest item in your list is the defence export activities,

which represent the increased emphasis being placed on endeavours to give effect to these things about which you were talking earlier, namely endeavouring to sell abroad both Canadian production for NATO allies and joint development with our NATO allies.

Mr. HARKNESS: All that has been going on for years, and these 135 people were not taken on in the last year and a half for that purpose.

Mr. SMITH: They were taken on for the development of the frigate program.

Mr. DRURY: If you look at the graph, Mr. Harkness—perhaps I should have a logarithmic curve drawn here—you will see the number at the beginning of 1963 is shown as 1,600, and the number at August 1964 is shown as 1,830. There is a difference there of some 220 to 230. I have suggested that the Canadian Commercial Corporation would account for 85 of those. There is in there a figure of 80 temporary or casual employees, to which the asterisk relates.

> These short term employees (6 months) were hired to do clerical work associated with: (*a*) the formation of the Department of Industry and (*b*) a survey of procurement in civilian departments and agencies of the federal government.
>
> Most of them have already left the department.

That runs up to 160 of the 230. We have an increase in staff branches to support formation of the Department of Industry and Canadian government supply service, which is another 36. It is a new function which would bring our arithmetic up to something in the order of 200. Then we have a figure of 38 on the transfer of functions and staff from other departments, which runs in excess of the 220. I think this would outline to you the major items of what appears to be a sharp upturn in the curve which, probably because of the scale used, appears to be more spectacular than it is in fact.

Mr. HARKNESS: If it is not as spectacular as it seems, then it means that in fact the number of people shown in the Department of Industry, over which there was considerable complaint in the house, is actually greater than the numbers complained about.

Mr. LLOYD: About which there is a lot of comprehension and not so much valid complaint.

The CHAIRMAN: May I proceed with Mr. Smith?

Mr. SMITH: Perhaps we have unwittingly had a classic exposition of the application of Parkinson's law. You and Mr. Harkness both deplored the lack of success in the standardization program between the NATO allies. Is one of the inhibiting factors in that lack of success the fact that most NATO countries use their defence procurement as a means of developing or supporting their own industry?

Mr. DRURY: There is of course a tendency to do this in every country.

Mr. SMITH: Including our own?

Mr. DRURY: I would say there is a tendency to do this in support of the national economy. What we endeavour to do is to procure in a way which will help and benefit the national economy, rather than the reverse.

Mr. SMITH: It is a very human desire, or intent.

At the bottom of page 2 of your statement, Mr. Drury, you say:

> Officials who are capable of appreciating the present and future potential of our economy in the fields of research, development and technology which can be proper assistance, support Canada's economic strength and future growth.

Would not that statement on the face of it indicate that there is something of a duplication between the functions of the Department of Industry and the Department of Defence Production?

Mr. DRURY: Well, let me put it this way. It would mean that to some degree both departments are pursuing the same objectives; it is for this reason that there has been a close relationship set up between the two departments to avoid duplication of effort and to take advantage of similarity of objectives.

Mr. SMITH: The development field—is that really a function of the Department of Defence Production? Are they not primarily acquirers rather than developers?

Mr. DRURY: Well, a step in the acquisition frequently is for development, and when one talks about developers, they are not developers in the sense there is within the Department of Defence Production any kind of staff engaged in engineering development work itself. The Department of Defence Production acts merely as contractors and managers of development, but they do not do it themselves.

Mr. SMITH: Again let me refer to Mr. Harkness's question, and the theme of the company assisting to support Canadian economic strength and growth, would that not indicate perhaps that the department should take a more lenient or a more openminded view towards those people who wish to become suppliers of equipment and to have new opportunities to bid on equipment?

Mr. DRURY: Well, when you say a more openminded view, it does mean that they should not take a close and narrow view. I would agree with this. But without examining specific examples I do not think I could agree that the kind of view taken has been closed and narrow.

Mr. SMITH: I did not mean to suggest it.

Mr. DRURY: But I would agree that we have a function which is closely related to the main object of the Department of Industry, to expand and develop the Canadian manufacturing industry, and that the approach should be rather more open than closed. I would agree with this.

Mr. SMITH: Particularly in this field where there are presently a very limited number of suppliers.

Mr. DRURY: Well, you do not always secure efficiency, economy, or usefulness by increasing the number of suppliers. In the weapons systems field one thing which has become evident as time goes on is that we are getting fewer and fewer but more and more complex instruments. And as, in the case of a large supplier of public utility equipment, the setting up in Canada of a number of firms which are capable and ready to produce a very limited number of these very large items does not result in economic good health.

Mr. SMITH: You mean the structure.

Mr. DRURY: That is right. So I would not agree with your proposition in principle that increasing the number of suppliers is economically good. In some instances it is quite true, but in other instances, this is not so.

Mr. SMITH: All Canadians are very conscious of being distinctively Canadian in many fields of activity within the last few months. I notice that at the top of page 3 you use the same phrase in relation to your department. But after reading the first two pages of your statement I am afraid that I do not quite understand how the Department of Defence Production is distinctively Canada.

Mr. DRURY: Well, in most of the allied countries procurement of defence equipment is the direct responsibility of the Department of National Defence. As you know, in the United States a very large part of operations, a very large branch of the department of defence in that country, is devoted to the placing

and management of procurement contracts. The same is true in France; and as I say in another of other NATO countries. Now, we have for a long while separated the procurement functions in respect of national defence from the conduct of training and operations which is exclusively the responsibility of that department.

Mr. SMITH: I suppose your department is very much the counterpart of the American essential supply agency.

Mr. DRURY: I am not sure of all the functions that are in the defence supply agency in the United States. But my understanding is that it reports directly to secretary McNamara and is limited to the responsibility for common user items; that is, items which are common to the army, navy, and air force of the United States. But the procurement of items which are unique or peculiar to one service continues to remain the responsibility of that particular service.

Mr. SMITH: I have here "Armed Forces Management" for November, 1964 in which is described the function of the defence supply agency. These include quality assurance, production expediting, industrial security, and accounting and payment of contractors. They all fall within your department, do they not, generally speaking? And I also notice that in the three years since it has been set up as a separate branch of the department, they have reduced their employment figures by 7,800 military and civilian employees, and have reduced by 50 per cent the storage locations, on which they are saving $55 million a year.

Mr. DRURY: I am glad to say that we are starting along the same route.

Mr. SMITH: I hope we have the same success, especially in the ultimate savings. Now, I have some questions on a branch of the minister's department, but not relating to a specific topic.

The CHAIRMAN: I understand Mr. Lambert has a question. Maybe you would not mind holding your question over to a further meeting?

Mr. SMITH: I quite agree.

Mr. LAMBERT: I discussed the military setting with Mr. Winch and Mr. Harkness and it seems to me the subject of development in production sharing is very much a will-o'-the-wisp matter.

The phraseology used by the minister on page 5 sounds very nice, but let us not fool ourselves. In so far as the NATO countries are concerned, the bigger the country, the more difficult it is to deal with. It was put to me by one of our counterparts that the bigger countries were quite prepared to be co-operative so long as you use their equipment. Is this not one of the prime difficulties; that is, that in each country they are trying to maximize their production and their development?

Mr. DRURY: I think it is true that each country is endeavouring to maximize its production and its development. This is a factor in the economic growth of the country. It is quite natural that each national government would strive for this. There are, however, clearly limits beyond which, even in a narrow national interest, it is not wise to go as it is uneconomical to do so. These limits vary from country to country. Some are rather more—if I can call it this—internationally minded than others. Some are very nationalistic indeed, but they all have the same general interest in keeping their own national scale of development and their own national scale of production.

Where we come in is that it is up to us to demonstrate that the economies of joint development or joint production are such that they outweigh the seeming short run advantages of a nationalistic approach. As Mr. Harkness pointed out, and with which I heartily agree, we have not had as much success in this as we would have liked, except I may say with the United States.

Now, your general proposition is that the large countries are quite prepared to standardize on their own equipment. We have not been successful in selling

any major items of equipment—and I say major items of equipment—to any of our NATO allies. It is an unfortunate fact of life that large countries do not seem to be prepared to place their reliance on a major item of equipment developed elsewhere. This applies to us, Canada. In development here there can be argument in respect of the technological and military soundness. Even if there are a few things which are superior, we still have to be very successful in persuading others to adopt major items of equipment which we have attempted to develop here.

However, we have had a great deal of success both in components and in what I might call minor systems. One of the most spectacular of the minor systems is the Doppler navigational system, a Canadian development by Canadian engineers. There is a very widespread measure of acceptance amongst the NATO countries. There have been a number of other items in the field, particularly of aerial navigation, but when it comes to prime aircraft, whether this be transport or combat aircraft—

Mr. SMITH: Prestige items, perhaps.

Mr. DRURY: One might call them in a sense prestige items.

Mr. HARKNESS: Armoured personnel carriers.

Mr. DRURY: I am not sure we had an aircraft which we could claim was better than anything else anywhere; but I do suggest that even if we had been successful in developing this to a satisfactory state in terms of military requirement and price of manufacture, we would have encountered some very considerable resistance to its adoption and acquisition by our other NATO partners. As a consequence we have been concentrating our effort on not what Mr. Smith calls the prestige items—not the prime items of military equipment—but on the components or subsidiary systems—the less important items, where we do not have to overcome this factor of reluctance, in a sense I suppose, to admit that some other country has more competent military equipment development facilities than its own.

Mr. LAMBERT: You are talking about one of the NATO club rules.

The CHAIRMAN: Before we adjourn, there are one or two matters to be dealt with. First of all, there is a document entitled "Department of Defence Production Staff Summary". With the agreement of the committee, we will have this printed as an *Appendix* to today's Minutes of Proceedings and Evidence (*see Appendix "A"*).

Agreed.

The CHAIRMAN: Secondly, on behalf of Mr. Winch who had to leave early, I am going to ask a question. Will the minister, at a later date, supply the Committee with the number of personnel under the direct authority of the President and General Manager of Canadian Commercial Corporation in 1952 and now?

Mr. DRURY: Yes.

The CHAIRMAN: The committee stands adjourned until Thursday at 11 o'clock when we will have in attendance officials from the Department of Defence Production.

Mr. SMITH: Will the Minister be here?

The CHAIRMAN: Will you be here, Mr. Drury?

Mr. DRURY: Thursday is our normal cabinet day and unless I am urgently required here I have some other responsibilities.

Mr. SMITH: We are not finished with the Minister.

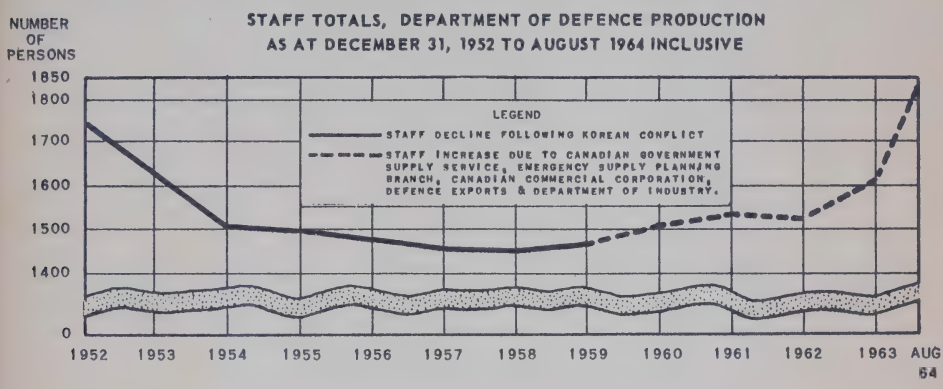
The CHAIRMAN: After our next few meetings we might have the Minister back for another meeting, to clear up any unanswered points.

APPENDIX "A"

DEPARTMENT OF DEFENCE PRODUCTION

STAFF SUMMARY

Following the Korean conflict, the staff of the Department of Defence Production showed a consistent decrease each year until 1959. During this period the work associated with contracting increased due to the introduction of more effective buying techniques such as incentive contracting. These improvements were aimed at reducing prices paid by the government.



Expenditures against contracts placed by the Department decreased consistently each year from a high of $1,051 millions in 1952 to a low of $633 millions in 1960, when they began to increase again reaching a peak of $723 millions in 1963.

At March 31, 1959, the staff of the Department totalled 1,441; at August 31, 1964, the staff totalled 1,829. Thus there was an increase of 388 employees during this intervening period.

The main factors influencing this staff increase were:

Transfer of Canadian Commercial Corporation	85
Defence export activities	135
Establishment of Emergency Supply Planning Branch .	67
Casual assistance	80*
Transfer of functions and staff from other Departments	38
Increase in staff branches to support formation of Department of Industry and Canadian Government Supply Service	36
	441
Less: Staff of the Minister's Office who are now charged to the Department of Industry	—11
	430

*These short term employees (six months) were hired to do clerical work associated with: (a) the formation of the Department of Industry and (b) a survey of procurement in civilian departments and agencies of the Federal Government. Most of them have already left the Department.

During the period 1959-1964 the 135 employees associated with the promotional defence export program were responsible for obtaining and administering prime export military contracts valued at $577.7 millions on behalf of foreign governments and assisted Canadian Industry in obtaining foreign subcontracts worth $414.3 millions, bringing the total value of foreign export orders to $992 millions.

Since March 1959, activities involving an additional 430 employees were added although the actual increase to August 31, 1964, was only 388. The difference of 42 represents improved manpower utilization in the operation of the Department.

The purchasing and stores function of the Department of Public Printing and Stationery has been transferred to the Department of Defence Production. However, the above figures do not cover the staff which will be included in the DDP establishment starting the beginning of the next fiscal year, i.e. April 1, 1965.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

THURSDAY, NOVEMBER 19, 1964

DEPARTMENT OF DEFENCE PRODUCTION

WITNESSES:

From the Department of Defence Production: Mr. G. W. Hunter, Deputy Minister; Mr. D. M. Erskine, Director, Regional Purchasing Branch; Mr. J. C. Rutledge, Director, Shipbuilding Branch; and Mr. R. M. Keith, Financial Adviser.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21564—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, November 19, 1964
(35)

The Special Committee on Defence met at 11.15 a.m. this day. The Vice-Chairman, Honourable Marcel Lambert, presided.

Members present: Messrs. Brewin, Fane, Lambert, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, Matheson, McMillan, McNulty, Pilon, Smith, Winch (14).

In attendance: *From the Department of Defence Production*: Mr. G. W. Hunter, Deputy Minister; Mr. W. H. Huck, Assistant Deputy Minister; Mr. J. C. Rutledge, Director, Shipbuilding Branch; Mr. D. M. Erskine, Director, Regional Purchasing Branch; Mr. J. G. Glassford, Director, Electrical and Electronics Branch; and Mr. R. M. Keith, Financial Adviser.

The Committee continued its consideration of the operational practices of the Department of Defence Production.

A document showing "Integration of Canadian Commercial Corporation Employees into Civil Service", was tabled by the Deputy Minister, and included in the printed record.

On motion of Mr. Winch, seconded by Mr. Martineau,

Resolved,—That the President and General Manager of the Canadian Commercial Corporation be requested to appear before this Committee.

The matter of arranging this appearance was left to the Steering Sub-committee.

Mr. Hunter presented a statement respecting, in particular, the purchasing of supplies and equipment, the tendering system, control procedures, and scheduling of contracts.

The witness tabled an outline of the establishment of the Department of Defence Production.

Agreed,—That the abovementioned table be included, at that point, in the Committee's proceedings.

Mr. Hunter, assisted by Messrs. Erskine and Rutledge and Mr. Keith, was questioned on his statement and related matters.

At 1.00 p.m. the Committee recessed.

At 3.45 p.m. the Committee resumed.

Brief prepared statements were tabled respecting *H.M.C.S. Provider* and the *Bobcat Program*

Agreed,—That these summaries be included in the Committee's Evidence at this point.

21564—1½

The witnesses were questioned on various facets of the work of the Department of Defence Production, dealing particularly with the *Provider* and *Bobcat* programs.

The witnesses were thanked and permitted to retire.

At 5.15 p.m. the Committee adjourned until 11.00 a.m., Tuesday, November 24, 1964.

E. W. Innes,
Clerk of the Committee.

Note—The evidence, adduced in French and translated into English, printed in this issue, was recorded by an electronic recording apparatus, pursuant to a recommendation contained in the Seventh Report of the Special Committee on Procedure and Organization, presented and concurred in, on May 20, 1964.

EVIDENCE

THURSDAY, November 19, 1964
11.15 a.m.

(*Text*)

The VICE CHAIRMAN: Well, gentlemen, I see a quorum.

I regret that the Chairman is not present today. He has been called out of town on urgent business.

Today we have Mr. G. W. Hunter, the Deputy Minister of Defence Production, with Mr. W. H. Huck, Assistant Deputy Minister; Mr. D. M. Erskine, Director, Regional Purchasing Branch; Mr. J. C. Rutledge, Director, Shipbuilding Branch; Mr. J. S. Glassford, The Director of Electronics; and Mr. R. M. Keith, Financial Adviser to the Ministry.

These gentlemen will be witnesses. First of all, however, I have been provided by Mr. Hunter with a reply to a question which was put by Mr. Winch at the close of the last meeting concerning the integration of Canadian Commercial Corporation employees into the civil service. This is a tabular report, and may I take it that it should now be incorporated in the record as the reply to the question put by Mr. Winch?

Agreed.

The report follows:

1. As of March 1952 total Canadian Commercial Corporation		38
2. As of March 1964 (prior to integration) total CCC employees		*84
3. As of November 1964 (subsequent to integration) of the above-mentioned *84 CCC employees:		
(*a*) Resignations and transfers to other departments (all junior Clerical staff)	12	
(*b*) CCC President and his secretary remain on CCC establishment	2	
(*c*) CCC Comptroller and CCC Secretary continue to perform dual CCC/DDP roles on DDP establishment.	2	
(*d*) On DDP International Programs Branch establishment—	55	
10 officers and *45* clerical staff continue to perform duties similar to those of CCC.		
(*e*) Remainder on DDP/DOI establishment	13	
Traffic Management Branch DDP 1 officer and 5 clerical staff performing similar functions to previous CCC Traffic Unit	6	
CCC officers loaned to DDP prior to Mar. 31 subsequently transferred to DDP establishment 1 officer to Emergency Supply Planning Branch DDP January 1963.	2	
1 officer to Shipbuilding and Heavy Machinery Branch—to DDP April 1963 subsequently to DOI July 1964		

CCC officers transferred to other branches after March 31, 1964.	2	
1 officer to Aircraft Branch, DDP		
1 officer to Electrical & Electronics Branch, DDP		
Clerical personnel transferred to other branches	3	
1 clerk to General Services Branch, DDP		
1 clerk to Electrical & Electronics Branch DDP		
1 clerk of Mechanical Transport Branch DOI.		
Sub-total	13	
TOTAL Accounted for		84

NUMBER OF EMPLOYEES	YEAR
108 (est.)	1946 Oct. 31
335	1947 Mar. 31
335	1948 Mar. 31
361	1949 Mar. 31
411	1950 Mar. 31
665	1951 Mar. 31
38	1952 Mar. 31
49	1953 Mar. 31
50	1954 Mar. 31
52	1955 Mar. 31
50	1956 Mar. 31
49	1957 Mar. 31
49	1958 Mar. 31
51	1959 Mar. 31
54	1960 Mar. 31
60	1961 Mar. 31
69	1962 Mar. 31
81	1963 Mar. 31
84	1964 Mar. 31

Mr. WINCH: Can I raise one matter on this reply which I now have had an opportunity to study?

The VICE CHAIRMAN: Yes; that is all right.

Mr. WINCH: I am most disturbed with the information supplied, as relating to a letter which was sent by Mr. Drury, under date of October 28, about the situation, which, on the basis of that letter, cannot in any way bring conformity between the orders then and the information just now supplied as to the number of employees in the Canadian Commercial Corporation.

Now, because I think there is great confusion, or misunderstanding, or wrong information being given to this committee, I would like, if I may, before we get on to the other business, to move, seconded by Mr. Martineau, that the president and general manager of Canadian Commercial Corporation be called as witnesses before this committee.

The VICE CHAIRMAN: You have made a motion, seconded by Mr. Martineau. Now, in view of the fact that Mr. Drury will be back before this committee do you feel you should defer your questioning in this respect until his return?

Mr. WINCH: No. In view of the fact that I asked for certain information which I now have, and because I cannot possibly place any substantial, honest correlation between his previous letters and the information now supplied, therefore request that the motion now be proceeded with, that the president and

general manager of Canadian Commercial Corporation be called as witnesses before this committee.

The VICE CHAIRMAN: I am advised that the President of the Canadian Commercial Corporation would be available.

Perhaps you could indicate briefly what is the nature of this apparent discrepancy, in order to see whether it can be straightened out?

Mr. WINCH: Can I put it this way: There was a letter in the latter part of 1963, signed by Mr. Drury as minister, to the effect that all were being transferred excepting the president and the secretarial staff from Canadian Commercial Corporation, and according to the information which has now been supplied to us, and after certain questions, the result is that in March, 1964, there are 84 who come under the direct authority of the president and general manager of the Canadian Commercial Corporation.

This matter is of such importance that I believe we should call the President and the General Manager before this committee.

Mr. MARTINEAU: I wish to back up what Mr. Winch has said. I think it is up to the president and the general manager not only to explain the discrepancy but also to give to the committee some information as to why this transfer was made and what has been the result, bearing in mind always that apparently the transfer was made without taking into account the provision of the statute which established the corporation; and I am referring to chapter 35 of the Revised Statutes of Canada, 1952, section 6, which deals specifically with the employment of such officers and servants and determination of the conditions of employment and remuneration, and there is the directive of the minister. To me this is a very direct violation of that provision.

That is the reason why I think this matter should be fully investigated by questioning Mr. Drury and by calling before this committee as witnesses the two officers, and the only two officers, that remain on the payroll of that corporation.

The VICE CHAIRMAN: All right, gentlemen. You have heard the discussion. Are you ready for the motion?

Mr. MCMILLAN: I was wondering if, after we have heard Mr. Drury, we could refer this to the Steering Committee.

The VICE CHAIRMAN: Well, I think that perhaps since the Chairman of the Corporation is here the Steering Committee could arrange for the scheduling of a meeting, and he would be present with Mr. Drury.

I personally cannot see any difficulty here.

Is that agreed?

Motion agreed to.

That is fine. As to the date of this particular discussion, this will have to be taken up by the Steering Committee.

We now have Mr. Gordon Hunter, the Deputy Minister of Defence Production, who has a statement to read to the committee. The members of the committee have each now been provided with a copy and therefore I will call on Mr. Hunter.

Mr. GORDON (*Deputy Minister, Department of Defence Production*): Thank you, Mr. Chairman.

At the time of his first statement to this committee the Minister observed that it is the responsibility of the Department of National Defence to determine what is needed, when and where, and the responsibility of the Department of Defence Production to fill those needs at the minimum cost, consistent with the need to develop and maintain Canada's defence production facilities.

Accordingly, then, the Department of National Defence defines their requirements and provides the contract demands and specifications needed to

initiate procurement while our department investigates sources of supply, develops production schedules, awards contracts, supervises production and, where necessary, helps contractors to obtain supplies. The Department of National Defence inspects and accepts the supplies and then pays the bills.

I would now like to explain briefly the role of the Department of Defence Production in handling a requirement from the Department of National Defence.

The first task of the Department of Defence Production on receipt of a requisition or contract demand from the Department of National Defence involves the selection of the most appropriate supplier. It is our departmental policy to buy, whenever possible, at firm prices obtained as a result of invitations to tender issued to those known suppliers who have given evidence of ability to carry out the contract. Behind this policy is our view that the competitive market offers the best guarantee of fair value for the taxpayer's dollar.

In employing this procedure, the department does not use public advertisements to invite tenders. Instead, as my minister has explained, we maintain up-to-date source lists, which record, under various commodity headings, the names of those firms which are able to supply the items and have indicated an interest in doing so. These lists are under constant revision.

Additions are made when a possible supplier writes to the department and asks to be listed or when a procurement officer observes that a firm is not listed although, from his intimate knowledge of the requirement, he considers that it should be listed. In these cases the department immediately sends the firm a questionnaire requesting detailed information covering the type of goods produced, particulars of their labour force, production machinery, etc. On the basis of the data contained in the questionnaire, when returned, the firm's name is appropriately listed, providing such action is justifiable.

I might add that the minister mentioned that the evaluation teams were sent out the other day in cases where we did not have sufficient information as to their capabilities; but that would be done, and that is included as being "justifiable".

The composition of our source lists reflects certain principles which govern our procurement procedures. Accordingly, as the department devotes considerable attention to developing and promoting Canadian production of defence items, foreign producers are not invited when there are adequate Canadian sources. In addition, the department does not ask possible suppliers to compete against their own sources of supply, and thus distributors are not asked to compete against the actual manufacturers of the same goods.

However, our regional purchasing offices, which normally carry out procurement action within the geographical area they serve, are permitted to include on their invitation lists the name of wholesalers, jobbers and, at times, retailers. Fourteen regional offices are located across Canada from St. John's, Newfoundland, to Victoria, British Columbia.

When the department receives a request to purchase supplies or services which may be obtained through competitive tenders, steps are immediately taken to issue an invitation to tender to potential suppliers. The invitation sets forth the details of the requirement, the name and address of the consignee, and other appropriate data. It also refers to, or is accompanied by, the relevant specifications, which are provided by the Department of National Defence. The tenderer enters his price or prices according to consignment points; offers any discount terms, etcetera, and returns the document, which becomes a tender, to the Department of Defence Production.

The success of the competitive tendering system depends, in a large measure, on the stringency of the measures that are observed to assure that tenders are dealt with fairly. I can assure the members of your committee that scrupulous care is taken in handling tenders.

On receipt, tenders are retained unopened in the custody of the departmental secretary and remain in his possession until they are opened immediately following the closing date specified for receipt of tenders.

The department has always rigidly maintained a policy of not accepting late tenders. When the hour and date for the closing of tenders on any particular requirement is reached, the box in which the tenders have been kept is sealed so that further tenders cannot be placed in it. Any late tenders are returned to the sender without delay.

As soon as the tenders are opened and listed they are forwarded to the procurement unit concerned. Here the essential details of each tender are entered on a tabulation sheet and on the basis of the evaluation of this data the lowest acceptable tender is selected.

As I have pointed out, the basic departmental policy is to purchase by competitive tender. However, there are occasions when this method of procurement is either not possible, or impractical. In such instances procurement must be taken through some form of negotiation. As my minister has already mentioned, reasons for negotiation include:

(*a*) A lack of competing sources of supply,
(*b*) A lack of, or the indefinite nature of, specifications, and
(*c*) Proprietary rights

At this time I do not propose to discuss the various techniques that are employed in the carrying out of negotiations as this area has been reviewed in some detail by Mr. Drury in his statement to the committee. However, I do wish to underline the fact that every effort is made to bring the taxpayer the best possible value for the dollars that are expended for defence procurement.

Authority to enter into contracts for the purchase of defence supplies is governed by the Defence Production Act wherein it is provided that no contract shall be concluded without the approval of the Governor in Council except in isolated cases where the minister considers that the contract must be entered into immediately in the interests of defence; or where the estimated expenditure does not exceed $25,000; or where the estimated expenditure does not exceed $50,000 and the lowest of three or more competitive tenders is being accepted. Any contract involving more than $10,000 which has not been so approved must subsequently be reported to the governor in council. By order in council, treasury board has been authorized to exercise the functions assigned to the governor in council under the act. Our departmental contracts authorization division reviews all proposals for entry into contracts above these fixed dollar amounts to ensure that the principal terms and conditions conform to departmental policies. The division also prepares submissions to treasury board where the board's approval for entry into a contract is necessary.

As far as possible, our departmental contractual documents have been standardized, and are available in either English or French or in bilingual form. Where contracts are let by competitive tender, an acceptance of tender in simple contract form is issued to the successful tenderer. The same form, with a slight alteration of wording, serves as a purchase order which may be used when contracts are arranged by negotiation. In special cases, where additional conditions have to be included in the contract, formal contracts are prepared by our legal branch.

A series of general conditions have been developed and published by the department, which, by reference, are incorporated in all contracts. These basic conditions include such matters as arrangements for subletting any part of the contract, conduct of the work, inspection, acceptance and delivery, warranty, government issue, scrap, insurance, accounting, secrecy and protection

of work, patent claims and royalties, Canadian labour and materials, title, default, termination, and other similar matters.

In addition to its contracting responsibilities, the department must ensure delivery of the supplies ordered. The various elements of this task—often known as "Program Control"—are primarily concerned with ensuring orderly production progress, to the end that the required delivery schedules may be met.

Program control, for major projects, begins with the scheduling operation, which precedes contracting. Essentially, scheduling involves the detailed analysis of a program to determine the delivery rates and sequences required for each component in order to achieve the orderly completion of the program as a whole. In certain programs the major scheduling responsibility rests with the department while in other cases considerable responsibility rests with the prime contractor.

Throughout the course of production on major programs, the continuous review of progress is a major concern of our department. Our production and expediting officers, who work closely with both the contractor and the services must, if possible, anticipate difficulties and assist in the solution of production problems as they develop. Steering committees, composed of representatives of our department, the Department of National Defence and the contractor, provide one means by which effective control is maintained.

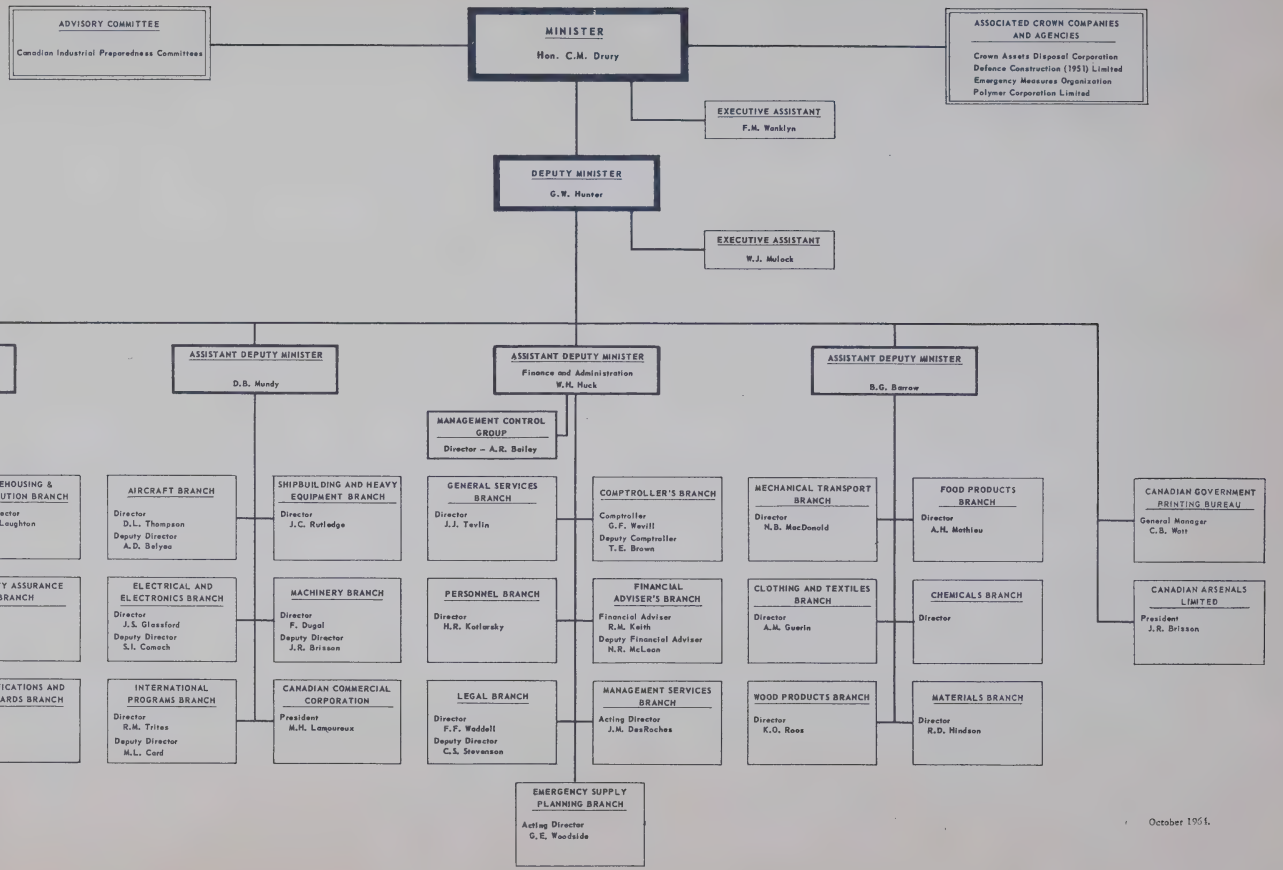
I hope that I have been able to outline the general procurement procedures of the department and at the same time have illustrated the clearly defined division of authority between the Department of Defence Production and Department of National Defence as well as the co-operaitve relationship between the two departments which must and does exist.

The VICE CHAIRMAN: Mr. Hunter has also provided us with an organizational chart of the department as it now exists, and this has been circularized to the members, and I take it that we may take it and have it printed in the record at this point in the proceedings?

Is that agreed?

Agreed.

DEPARTMENT OF DEFENCE PRODUCTION



October 1961.

The VICE CHAIRMAN: All right, gentlemen, we are ready for discussion or to question Mr. Hunter or any of the other witnesses in regard to this statement, and related questions.

I would ask you, if possible, to defer questions dealing with the subsidiary statements that have been given about H.M.C.S. *Provider* and the *Bobcat*, which will serve as discussions on their own and within their own limits.

The first name on my list is that of Mr. Winch.

Mr. WINCH: Could I ask Mr. Hunter if he would enlarge a bit on the first paragraph on page two wherein he states:

> The first task of the department of defence production on receipt of a requisition or contract demand from the Department of National Defence involves the selection of the most appropriate supplier. It is our departmental policy to buy, wherever possible, at firm prices obtained as a result of invitations to tender issued to those known suppliers who have given evidence of ability to carry out the contract.

Now, Mr. Chairman, the question I would like to direct to Mr. Hunter is: Exactly what is your position, upon receiving from the Department of National Defence orders to receive tenders to buy certain equipment?

My point, Mr. Chairman, I think I can explain this way: Let us take airplanes. I understand that our air force in the past had two Comets, and two Comets only, but in the purchase of those two Comets they either purchased, or had to purchase, subsidiary supplies in the amount of $1 million. I say $1 million because now the Comet has been declared obsolete. Also, in Ottawa, $186,000 worth of supplies for the Comet and $714,000 worth approximately in Montreal have been declared surplus. What happened in Montreal I do not know, but as a member of the public accounts committee I do know that $186,000 worth of supplies were put up for sale and they got an offer of $75 for them.

What I am trying to get an understanding on is this: Who makes the decision on the letting of contracts for certain replacement equipment? Who has the say with regard to how much of certain supplies you have to buy? Is that a decision, or part of the agreement on buying, and is the ratio of $1 million additional supply for two Comets the same ratio that you use on making purchases when, say, you might be buying the CF-104, or the others?

I think it will help this committee if you can tell us what is the basis of these purchases.

Mr. HUNTER: Mr. Chairman, the answer to the first question as to who makes the decisions to buy the airplane, if it be an airplane—these large programs for airplanes such as we have noticed in the papers for the last year, the talk about tactical aircraft—in the case of major programs like that the air force tells us, or the Department of National Defence tells us, what they want, and we look over the field; but we would naturally get all the proposals and then go back to them with them. Where the item is an airplane, the contractor deals often with the air force directly and will make a demonstration of it to them, so that the final decision is certainly made by the air force.

On the matter of the scale of additional equipment and spares, this has varied from time to time, in my experience, with different products. They have worked it out, I believe, that it is roughly 25 per cent for spares, but from time to time, if the air force knows that the need for them might be less for a simpler type of aircraft that has a longer life, such as the Dakota, it would require a lesser percentage for the spares that you would need as against a more complicated type.

At the moment I cannot give you exact information. I can only surmise that since, in the case of the Comet I—I believe it was the Comet I which we

bought—there were not too many sold, and we might have bought more spares for that model of airplane at the time while they were in production, so that we would have a full and complete range of spares; and this was perhaps at a scale greater than they would have bought for an aircraft like the Dakota, which we knew would be in production for a long time.

I can get you the exact percentage figure, but I do not have it here.

Mr. WINCH: What I am trying to get at is: When you receive at the defence department instructions to purchase who decides—is it the defence department, or your own department—as to the amount of spares to buy in relation to the number of planes you buy; and—I think this is the key point—does the purchase cost received by your department have any relationship to the number of supplies additional that you buy?

Mr. HUNTER: On the first part of your question, as to who makes the decision, I can say that the end decision is definitely the air force's; but it is usual that there is a spares provisioning conference held, and that the contractor will come and sit down with the Department of National Defence and with our people, and the contractor explains what he feels the spares ought to be, and the air force, from their knowledge of the technical and operational characteristics of it, give us their views. We actually are perhaps more interested in the fact that we are going to order them concurrently and what the cost will be, but the decision as to how many spares are to be ordered and when, is definitely the air force's.

Mr. WINCH: They tell you?

Mr. HUNTER: They tell us, yes.

Mr. WINCH: Then, my next question is: Is the purchase of additional supplies and replacements a factor in the purchase price of the plane itself?

Mr. HUNTER: This would be very much a factor because at the time of the original order, since while the aircraft is being produced, spares are naturally much cheaper and can be ordered at much less cost than having to order them later. So that the number of spares ordered is very definitely part of the negotiation of the purchase contract that we have with the manufacturer.

Mr. WINCH: Then, Mr. Chairman, may I ask two very short questions, because I know that others have some in mind, too: Would you say that there is a definite ratio between the purchase of replacements or supplies of $1 million to the purchase of the two Comets carried through on Canada's purchase of all planes?

Mr. HUNTER: If you are just asking me for my personal opinion, this looks like about 15 per cent of the original cost—$1 million. The cost of the two Comets which, I recall, was about $3½ or $4 million each—this would be a high ratio to have left at the end of the life of an aircraft.

Mr. WINCH: But would you say, then, that where there is $1 million left—

Mr. HUNTER: As a matter of fact, you gave me the figure, but I did read it in the evidence before the public accounts committee and I have no reason to doubt it; but I can only say again—and I would be glad to get you the information—that the reason for that, in the case of the Comet, is that it is no longer in production and the air force made their best judgment of the spares to buy; but they later went out of production, so those are the items that are in the spares list.

Mr. WINCH: Could I ask whether you in the Department of Defence Production ever question the charges which are made to the department for the supplying of spare equipment? I ask this question because I am a member of a subcommittee of the public accounts committee, and we had presented to us some of the material which has now been made available from crown assets in Ottawa, and I saw there a knuckle joint over a flap. I suggest that this could

be produced for $4 or $5 or I miss my guess as a mechanic, and yet the charge is $97. Do you ever question the amount that you have been charged for spares?

Mr. HUNTER: We very definitely question it. We have people now—and I do not say we have had them since the commencement of the department's operations—who are well qualified to assess the orders for spares that we purchase. We have residents in the major plants, several of whom are aircraft engineers and I think they are very competent.

Mr. WINCH: And since when have you made this study?

Mr. HUNTER: Well, we have not made this special duty on this particular case, but this is something that we would be—

Mr. WINCH: Have you always made it on general principles?

Mr. HUNTER: This is something we would do every day, to the best of my knowledge.

Mr. MACLEAN (*Queens*): Mr. Chairman, on page one there is a statement that it is:

> ...the responsibility of the Department of Defence Production to fill those needs at the minimum cost, consistent with the need to develop and maintain Canada's defence production facilities.

How much weight is given to these subsidiary considerations, and how often are these considerations overwritten by cost alone? And I would like to have some explanation of what these other considerations are, with regard to Canada's production facilities? Is any consideration given, for example, to whether, in the case of where there may be two plants, one plant is in a highly vulnerable area and another is relatively dispersed where it might, in case of attack, be more likely to be able to continue to produce? This is the sort of thing. What are these other considerations?

Mr. HUNTER: To answer the first part of your question as to the responsibility of filling these needs at the minimum cost, one of the minister's responsibilities is to see that there is a reasonable defence production base to meet requirements that may arise for different items. This probably had much more significance in the days after the war, during the Korean build-up time, in order to have an aircraft industry. Since then, using your example, we have at least the base to handle those strategic components of the aircraft that would enable us to handle a large aircraft program.

On the second part of your question, as to how we decide about—I think decentralization is the word—of the plants, we have certainly kept this in mind from time to time.

There are not too many opportunities to do this, where there are plants in an area that might be considered to be decentralized—and I think repair and overhaul is perhaps a good example—we do spread repair and overhaul work on an allocated basis where it is possible. This, I think, is the best example of the government trying to decentralize aircraft work.

Mr. MACLEAN (*Queens*): So far as the actual manufacturing of defence items is concerned, is there a conscious effort to work towards dispersal if there is the opportunity? I grant you that there might not be the opportunity—

Mr. HUNTER: There is a very definite attempt made to do this. In fact, when we place a prime contract with a large contractor such as Canadair, we direct him to subcontract as large a percentage as can be reasonably and economically done. So far as Canadair is concerned, they issue large subcontracts for the main components, and they are dispersed as widely as possible. Certain work goes to the Maritimes and other into subcontracting areas in Ontario and Manitoba, and this definitely is by direction of the department, so that it just does not keep the whole contract to itself.

Mr. MacLean (*Queens*): I want to ask a question in a different field. Does the Department of Defence Production do all the purchasing for national defence of what might be termed the "C" class of stores? I am thinking of food and fuel and coal—aircraft fuel and motor fuel and—

Mr. Hunter: Yes, we do. By law, by our act, we are the sole purchasers for the department of National Defence. There are cases, of which I guess you are aware, where we give local authority for emergency items to certain of the establishments; but generally speaking we buy all food, fuel and coal.

Mr. MacLean (*Queens*): I would like to ask a question with regard to the activities of the regional offices in this respect. I have been told that on occasions in the past—the accusation may not be right at all, and I am not making it—in the case of contracts for food, for example, instead of asking for the supply of certain types of food that could be cheaply supplied by a producer—contractor—in some areas there is a wide dispersal of the type of food required all in the same contract, and the result is that a middleman, an assembler as it were, is the only one who is in a position to meet the contract.

For example, there might be a requirement for not only fresh vegetables of the type grown in Canada, but included in that there might be something that is not locally produced, with the result that the producer could not possibly tender on the contract, and the only possible tenderer would have to be an assembler of food.

Perhaps this is not correct, and I would like to have a little further explanation or elucidation of how much the Department of National Defence depends on local supplies of food, if they are competitive, and whether this is done more or less locally, or at least regionally.

Mr. Hunter: I do not think I have the required detail to answer you, but Mr. Erskine is the director of our regional purchasing branch, or, at least, that was his title at the time, up until our recent change. If Mr. Erskine would not mind I would ask him to answer that question.

Mr. D. M. Erskine (*Director, Regional Purchasing Branch*): I would be glad to.

In the matter of buying food through the regional offices we confine our tenders to the area served by the local office. We have on our source lists all potential suppliers of food and produce, and in the case of certain meat products we, of course, buy from those establishments approved by the health of animals division of the Department of Agriculture.

So far as produce is concerned, the majority of the firms on our source lists are wholesalers and distributors who handle both imported fresh vegetables and also domestic ones.

These men have to have the capability of delivering these stores, as they are required, sometimes daily to the various military establishments.

I think it would be very difficult, if we had a potato grower, for instance, since the quantity of potatoes required daily, or weekly, is quite small, and he would not have the delivery facilities; but he can be listed if he can compete, and the moment they were wanted we could place a tender with him.

Mr. MacLean: What is the position in the case of durable goods—canned goods?

Mr. Erskine: Well, canned goods actually are not purchased regionally; they are purchased centrally. This has been going on for many years. The contracts are placed with the canners, and in some cases, with jobbers acting for a number of very small canners.

Mr. MacLean (*Queens*): I have a further question regarding—

The VICE-CHAIRMAN: I wonder, Mr. MacLean, if, in view of the fact that there are a good number of people who have indicated that they wish to ask questions, members would rather confine themselves to one area. If everybody is given the chance to cover the whole range of operations we will never get to the others.

Mr. MACLEAN (*Queens*): I have just one more question that I was going to ask with regard to the type of tender, you say they are not given regionally. Did I understand you properly?

Mr. ERSKINE: No; canned goods are bought centrally.

Mr. MACLEAN (*Queens*): In this case is there only one point of delivery in the contract?

Mr. ERSKINE: No, there are many points of delivery.

Mr. MACLEAN (*Queens*): And the successful tenderer might be dependant on where the goods were to be delivered?

Mr. ERSKINE: This would be a factor, certainly, in his contract, yes.

Mr. LLOYD: Bearing in mind your observations, and concentrating on the matter of how the department fills its needs at the minimum cost, consistent with the need to develop and maintain Canada's defence production facilities —which is where Mr. MacLean began his questioning, I think—I would like to ascertain from Mr. Hunter in more detail where you draw the line between, for example, tenders and allocations. What are the factors that influence you, for example, in the matter of the allocation of ship construction and ship repair, as against a tender? Do you have a definite policy that you can outline to the committee in this regard?

Mr. HUNTER: I think, Mr. Chairman, as I have mentioned, the policy of the department is to buy competitively wherever possible.

To go back into the history of the department, 12 or 13 years ago, when the department was started, we bought many things—many more things—by allocation than by competition. There was a time factor, at that time.

There was a shorage of people who were going to stay permanently with the department. It was formed by a number of "dollar-a-year" men who came into the government and who subsequently brought people in who were trained, and have been better trained since, to negotiate all of the contracts. We have attempted to bring everything into line, including ship construction; and repair and overhaul—the two areas in which there is still certain allocation—we are getting them to the point where we should be able to try to operate by competitive tender.

This has been our aim, and I can tell you that in both areas at the present time, considerable work has been done, and I hope that within the next year or two both of these areas will be handled on a competitive basis.

This is not easily handled. Ship construction particularly has been difficult, but we have made considerable strides; and we hope to do the same in the case of repair and overhaul work.

Mr. LLOYD: Getting down to specifics on this subject, I believe that you have competitive tenders for ship construction on the west coast and competitive tenders for ship construction on the east coast, for certain quantities and kinds of ship construction. You do not do it, in other words, throughout all Canada in the area of competition.

Mr. HUNTER: This, we thought, was really a step in the direction of nation-wide competition, if we are able to achieve it.

Mr. Rutledge is here and he can speak on this question. He is director of the shipbuilding branch. Perhaps he would answer that question. He is chairman of the interdepartmental committee which is inquiring into this very

problem, and they hope to be able to recommend to the government a policy by which shipbuilding for the government as a whole might be handled.

Mr. LLOYD: You may have a problem in reconciling this on the one hand with the desire to maintain capabilities at certain areas in Canada, may you not?

Mr. HUNTER: This is a real problem.

Mr. LLOYD: How does overhead in cost of construction enter this picture? Are you familiar—

Mr. HUNTER: As a matter of fact, I know a certain amount about this, but perhaps Mr. Rutledge might say a word on it. Mr. Rutledge.

Mr. J. C. RUTLEDGE (*Director, Shipbuilding Branch*): I would assume that the question is: In what cases do you engage in area competition as distinct from open competition, and what are the differentials. There are no recognized differentials. There is no formula; but certainly there are differences that arise.

To illustrate, the west coast has a very high wage rate in comparison with the east coast. Overhead is a more subtle question, because overhead costs—overhead burdens—are in turn related to labour application.

I do not think you could generalize on overhead. I can say, however, that on the west coast there is very high efficiency in the application of manpower, but we have not been able to discuss any formula that would define the differentials. Each case must be taken on its own merits.

Mr. LLOYD: There must be some basis to decide that at least the west coast is one area and the rest of Canada is another. For example, the Atlantic coast yards compete with on-the-river yards for new construction, do they not?

Mr. RUTLEDGE: You are talking about new construction. In our experience we have only had one major development contract go out on a competitive basis, and that is the *Provider,* which is likely to be dealt with again. That was on open competition basis. We felt confident enough on it to let all yards in Canada compete.

On occasion, if you have a ship which is going to operate in a specific area, or if it is a ship which is going to be stationed in a specific area—if that is going to be the base of operations for the ship—it is not unreasonable to have the ship constructed in that area.

Mr. LLOYD: This would probably be the reason, then—I will put it the other way: Is this the reason, then, that the conversions of destroyer escort vessels to having helicopter capabilities—I think there were four or five done on the west coast—

Mr. RUTLEDGE: Yes.

Mr. LLOYD: Was there any distinction between the two yards?

Mr. RUTLEDGE: The first four conversions were largely developmental in type. There was not sufficient precision in the development of the requirements to permit effective competition; but at the time that we did award these contracts these vessels at that time were to be based on the west coast. This has subsequently been changed; but at the time the contracts were awarded it was intended that those vessels, which were part of the fleet on the Pacific coast, would remain there, and the contracts were limited to contractors from the west coast yards.

The VICE CHAIRMAN: May I just call a brief halt at this point. We have had one Reporter and I think he should have a break about now.

—Recess.

The VICE CHAIRMAN: Order, please. We will resume.

Mr. Lloyd, are you finished?

Mr. LLOYD: No, I am not.

Mr. Rutledge, when we left off you had explained, I believe, that at the time of the award of contracts for the destroyer escort conversions at that time you had adopted, or had given some thought to the fact that the ships would be based on the west coast—

Mr. RUTLEDGE: Yes. Probably I might develop that a little further.

We foresaw a program of possibly 14 conversions, and it divided rather neatly into seven on the east coast and seven on the west coast. Seven of the destroyer escorts were based on the east coast and seven were based on the west coast. It didn't seem unreasonable that those which were based on the west coast and were going to continue to operate on the west coast should be converted in the west; and, similarly, those that were based on the east coast and were going to continue to operate there should be done there.

Furthermore, there is the economic factor; there is the cost of moving a vessel of that type from one coast to the other; not only is there the dollar cost involved, but there are the manpower problems, and so forth.

However, this situation did not remain constant. It was constant when we awarded the contracts for the first four conversions, but there was then a change in the deployment of the fleet, and these vessels that were on the west coast were to be used on the east coast; so we had to re-examine the situation. The first four had already, in that context, been awarded to a west coast yard. We made the next job on a competitive basis open to east coast yards, and the next job on a competitive basis open to west coast yards, and we have a seventh which we are examining at the present time.

Mr. LLOYD: Well, Mr. Ruthledge, the volume of work that might be obtained by a few yards on the east coast—and that would include the Quebec coast and the river yards generally—the volume of work that might be obtained in the river yards enables them to keep down their overhead cost dollar, does it not?

Mr. RUTLEDGE: I would agree. Overhead cost is related to volume of work.

Mr. WINCH: But the efficiency is better on the west coast, you said?

Mr. LLOYD: He said labour efficiency.

Mr. RUTLEDGE: That is, the application of manpower is superior on the west coast.

Mr. WINCH: That will shut you up.

Mr. LLOYD: I presume I am supposed to direct my questions to the witness, and I would add that any comments that are made are (a) in bad taste, or (b) out of order, or (c) only designed to confuse the questions I am trying to put to the witness. Whatever the situation may be, it might be better to reserve all observations until all the evidence is in.

In fact, Mr. Rutledge, in the west coast yards—granted the factor of efficiency may be in their favour—the overhead costs that you are faced with, and their distribution of overhead to the various ship construction for the government of Canada—would it be higher than it would be on the east coast?

Mr. RUTLEDGE: On this matter of overhead costs, I am very reluctant to answer your question. It is not that it is not a reasonable one, but it is a very complex one and it is related to the manpower application.

Let me give you an illustration. You may, in one yard, have a quite high overhead rate in comparison with a second yard. Now, the rate is measured in terms of the dollars that are attracted by each dollar of labour spent. However, if you use less labour at the high rate, the high overhead rate commonly used may not be, in total dollars, as significant.

Let me give you one or two illustrations. On our destroyer escort program we found that the third lowest cost was in a west coast yard, and that is an area which, traditionally, has high wage rates. In other words, to generalize on this is a very dangerous thing.

Mr. LLOYD: But, it is a fact that there is a large volume of other ship construction arising within your yards. The government of Canada has suffered losses in this connection.

Mr. RUTLEDGE: Yes.

Mr. LLOYD: Now, let us shift our operations to the east coast. But, before doing so could you tell me how many independent yards there are on the west coast?

Mr. RUTLEDGE: There are three major yards on the west coast, several intermediate yards and some minor yards. But, the major yards are three in number. There are two in the Esquimalt and Victoria area and one in Vancouver.

Mr. SMITH: How many are owned by the same owners?

Mr. RUTLEDGE: There are two owners for the three yards.

Mr. LLOYD: Now, coming back to the east coast and the river yards, I believe that the Davie and Collingwood yards are wholly owned subsidiary companies of Canada Steamship Lines.

Mr. RUTLEDGE: That is right. Canada Steamship Lines has the following shipyards: Davie Shipbuilding in Lauzon, Quebec; the Kingston shipyards at Kingston, Ontario; and the Collingwood and Port Arthur shipbuilding yards. As I say, there are four yards in the Canada Steamship Lines complex.

Mr. LLOYD: And, because of this complex Canada Steamship Lines manage to get a large volume of work arisings because of their ownership of steamships in the upper lake system.

Mr. RUTLEDGE: Are you referring to commercial work?

Mr. LLOYD: A large volume of commercial construction, yes.

Mr. RUTLEDGE: That is right.

Mr. LLOYD: And, it is my belief that ship construction in respect of ships built in Canada for Canadian owners can qualify for subsidies.

Mr. RUTLEDGE: Under certain conditions, yes.

Mr. LLOYD: Then, in respect of these three yards that were just mentioned, the operation of the subsidy, in fact, has increased the volume of work arising in these three yards.

Mr. RUTLEDGE: Yes, undoubtedly it has. Davie Shipbuilding, in particular, and in addition, Collingwood shipyards, have benefited substantially from the subsidy. But, they have arranged that, and I would make that quite emphatic. They have generated the work that would qualify them for application for a subsidy, and they have enjoyed more benefits than any other shipyard in the application of subsidies under the same circumstances. In fact, much of the work of Davie Shipbuilding has been for other than Canada Steamship Lines.

Mr. LLOYD: Does the parent company call any tenders for its needs from yards other than its own three yards that it controls?

The VICE CHAIRMAN: Well, I have some difficulty, Mr. Lloyd, in seeing the relevance of this questioning within the Department of Defence Production. I would like to say that there is a question of time involved. I am sure this is all very interesting but there are other people as well on the committee.

Mr. LLOYD: Yes, I realize that. However, I do not think the time I have taken has exceeded that of another member who started the questioning the day before and then started it again today.

The point I am trying to get at is this. Through the advent of ship subsidies, that complex of subsidiary companies owned and controlled by parent companies that were engaged in the shipbuilding business, and which had need for large volumes of shipbuilding, had an advantage over other yards such as those in Saint John and Halifax.

Mr. RUTLEDGE: It would in the acquisition of business.

Mr. LLOYD: And, there is no question about that.

Mr. RUTLEDGE: It would be absurd for me in any way to deny that. If you are both an owner and a builder you are likely to generate more business for your yard. I would not deny that for a moment.

Mr. LLOYD: So, this puts the yards which do not have such a tie-in with the ship owner at a disadvantage in trying to compete with tenders submitted to your department.

Mr. RUTLEDGE: I would just like to make one other point. The features in respect of one of the great areas of shipbuilding subsidy are twofold. One is in connection with the carriers in the lakes, but another very significant area has been in the fishing industry and, quite frankly, I know of no shipbuilder who is engaged in fishing.

Mr. LLOYD: So, there is an opportunity for the other yards to maintain a volume of work arisings to keep their overhead down. Is it not a fact you have been greatly concerned in the main about costs to government? Is this not the prime consideration?

Mr. RUTLEDGE: We are preoccupied with that.

Mr. LLOYD: And you have been more so recently than you have been in the past.

Mr. RUTLEDGE: Yes, precisely.

Mr. LLOYD: Therefore, these yards which do not have a tie-in, unless they manage to win work arisings in the private sector are at a very definite disadvantage in terms of overhead costs. How do you reconcile your concern in respect of costs with the statement you make—and this is my point, Mr. Chairman—of the need to maintain capabilities throughout Canada. It is a matter of a judgment decision?

Mr. RUTLEDGE: Yes, it is a matter of a judgment decision. When you speak of costs you are speaking in terms of allocation and if by allocation we encounter costs of a level somewhat higher than we would competitively that results in a certain situation. Allocation has been the rule in naval ship construction. I would like to go back to world war II. There were some good reasons then for allocation, but the situation is constantly changing. It is changing very, very rapidly at the present time. The justification for allocation in the early stages was simply that with a massive shipbuilding program our facilities were somewhat limited. No one, two or three yards could hope to satisfy on a delivery basis the entire requirements or specifications for naval ship construction, and it was of a type that did not lend itself to competition. You could not go out fairly on a competitive basis. I would suggest one of the justifications of that allocation policy at that time was the principle of the defence base of keeping the work decentralized and maintaining facilities at a variety of points. However, to an increasing degree at the present time, those arguments and factors have changed. We have become more mature as an industry and in terms of government. The navy is able to define its requirements with precision and we are able to contract for them on a competitive basis.

Furthermore, the industry is more mature and able to expose itself to the risks involved in competitive pricing. You will realize that some of the early

destroyer escorts took over five years to build and to go for a firm price on something of that nature is to engage in a very hazardous financial venture for any shipyard. Our yards are not large. If we totalled all our yards in Canada we would not have a single yard as big as Harland and Wolff. We have a large number of small units widely distributed. But we are in a position where we now can look competitively at things.

Mr. LLOYD: There is one other question in this field.

The VICE CHAIRMAN: Mr. Lloyd, this part of the questioning has taken half an hour. I now am faced with the problem that we will have to sit this afternoon. In order to deal fairly with the witnesses, I would suggest we tighten up the questioning.

Mr. LLOYD: I have only one more question. I believe, Mr. Chairman, if you look at the total amount of time I have occupied you will find that it has not been unreasonable. Would you be kind enough, Mr. Rutledge, to advise the committee of what has been the changing role of the Maritime Commission with the establishment of the Department of Defence Production under its present organization; for example, in respect of allocations, what are your relations with the Maritime Commission?

Mr. RUTLEDGE: The Maritime Commission role not by law, but by administrative practice, has been changed. The Canadian Maritime Commission brings to the Department of Defence Production its recommendations on allocations. The Canadian Maritime Commission continues to do that; however, if a decision has to be taken in respect of awarding a contract on a competitive basis, then the Canadian Maritime Commission is not invited to participate. Therefore, I would say the only change in that specific area, perhaps is that there is a much smaller incidence of recommendations from the Canadian Maritime Commission simply by the increased application of competition.

Mr. LLOYD: I will bear in mind your admonition, but I am far from satisfied.

The VICE CHAIRMAN: There are other people here, too, who have problems and yours can come up later.

Mr. LLOYD: I agree with your observation, but I believe you are applying it to me when you might, with equal force, have applied it before to others, or at least it might have been done under the other Chairman.

Mr. SMITH: May I ask some supplementary questions? I think you might like to correct an impression that has been given. Port Arthur and Kingston have not done any major shipbuilding work in approximately the last ten years.

Mr. RUTLEDGE: The period is a little long; let us say, in recent years.

Mr. SMITH: In recent years neither of them has been building any major ships?

Mr. RUTLEDGE: Yes.

Mr. SMITH: Was the *Alexander Henry* the last one in Port Arthur?

Mr. RUTLEDGE: I do not know.

Mr. SMITH: There has been no naval shipbuilding work either allotted or tendered to the great lakes yards since the end of the war?

Mr. RUTLEDGE: That is incorrect, sir. I am speaking from memory here. The Port Arthur shipbuilding did participate in our last minesweeper program.

Mr. SMITH: Participation in what way?

Mr. RUTLEDGE: They built a minesweeper.

Mr. SMITH: About when was that?

Mr. RUTLEDGE: I would say it would be about 1957. I am giving an approximation. Your question was in respect of the period since the war?

Mr. SMITH: Yes.

Mr. RUTLEDGE: In respect of the *Provider* which keeps cropping up in this discussion, the Collingwood shipyard was invited to tender and did tender on that. That answers your second question.

Mr. SMITH: I was asking whether they had actually done any work by allocation or otherwise in recent years?

Mr. RUTLEDGE: A certain amount of repair work has been done, but principally in Collingwood the only contracts which flash through my mind at the moment are degaussing contracts.

Mr. SMITH: Which usually are small contracts?

Mr. RUTLEDGE: Yes.

Mr. SMITH: In the great lakes yards ships have been build competitively in recent years for both the Pacific coast and the Atlantic coast in competition with other yards in Canada?

Mr. RUTLEDGE: You are speaking now of commercial shipbuilding, I assume?

Mr. SMITH: Yes. The Crosby Company has had two fishing vessels built recently in Fort William.

Mr. RUTLEDGE: Yes. They have done commercial ship construction in great lakes yards which might have gone elsewhere. The only element of your question on which I hesitate is in respect of whether or not tenders were invited from coast to coast. I do not know whether or not they competed with the west coast or the maritimes.

Mr. SMITH: One was built for Shell Oil which is on the west coast now?

Mr. RUTLEDGE: Yes.

Mr. MCNULTY: Would Mr. Hunter tell us whether his department purchases for any department other than the Department of National Defence at any time?

Mr. HUNTER: Yes, we do. As a matter of fact, we have been directed by the government to plan for the purchasing for other government departments of what is known as "common-use" items. At the present time we are doing certain buying for the Department of Citizenship and Immigration, and for the Department of Public Works, in respect of the Alaska highway. We have taken up any such problems which are known to be coming up in the next year or two.

Mr. MCNULTY: In respect of the matter of tenders and the receiving of them, do you take the date the tenders are mailed, or the date they are received in your office as the closing date?

Mr. HUNTER: It is the date on which they are received in our office. In the past days I believe we used the mailing date, but that was changed some time ago.

Mr. MCNULTY: What was the reason for the change?

Mr. HUNTER: I think the reason was that it was found there could be errors through not getting a proper stamping. Apparently there were other cases which led to argument, so we finally decided that it would be the date on which tenders were received in our department.

Mr. MCNULTY: Did you at any time make any allowance for a person who mails these tenders by registered mail within a reasonable amount of time, whereas they would normally arrive at your office at the closing date? Is there any allowance made?

Mr. HUNTER: Cases of this kind have occurred. We decided that we could not allow those cases and we had to be really strict about the date on which we received the tenders in our office, for whatever reason.

Mr. FANE: Mr. Chairman, many of the questions that I had have been answered, but I am going to go ahead and ask the questions because I have them written out. My first question is: What is the policy in regard to refits, repairs and conversion of naval ships regarding the allocation or calling of tenders?

According to various answers and to Mr. Hunter's presentation this morning, certain tenders are made by direct allocation and in other cases tenders are called. In both these instances are firm prices established when a contract is awarded, or are they allowed at a later date when ships have been fully examined?

My second question is: On what basis are these allocations made to the various shipyards?

Mr. RUTLEDGE: Mr. Chairman, the first question is when do we allocate and when do we compete for the refit or repair of a vessel. You can compete only in those circumstances where you are able to define, with sufficient accuracy or with sufficient precision the nature of the requirement. Where there is more than one yard that has the facilities of a type that will accommodate the ship and where the matter is not one of immediate urgency you can afford the time and repair of that vessel that is involved in competition. However, I would not like to leave you with the idea that in refits where there have been a great many competitions, allocations have generally been the rule. You then asked what sort of considerations govern you in allocation.

If a decision has been taken to allocate, what factors do you recognize in coming to such a decision on where you are going to allocate? They consist of factors such as the facilities that are needed? Just to take one illustration, there are only a few yards in Canada which could possibly refit *Bonaventure*, the aircraft carrier, because of the docking facilities which are needed. Another factor is the navy's—if it be a defence vessel—preparedness to have the ship moved; and there are many occasions when you cannot move a vessel for a variety of circumstances. There may be an emergency, and the vessel may have suffered heavy weather damage, and you cannot take it all over the place. Some vessels are of such a size that you could not move them out of the Halifax area. For example, we presently have *Assiniboine* undergoing modification in the Halifax Shipyards. We have no alternative but to allocate it there, because generally, some work must be done by the navy and the dockyard personnel, and it happens that the dockyard and the ship yard are adjacent to one another so we must recognize that factor when allocating there.

Another factor may be climate. We cannot move a ship up the St. Lawrence in midwinter. We must recognize factors of that type; or we might get a ship into one area, knowing very well that when it was scheduled for delivery, we could not move it because of icing conditions. In other words, there is a variety of technical considerations concerned, partly with the ship, partly with the nature of the requirements, and partly with the facilities of the yard. And then the Canadian Maritime Commission makes recommendations, having allowed for all these factors, in trying to introduce elements of equity and reasonableness in respect of an element of choice. But it is an imperfect world, and we cannot please everybody.

You had a third question: it was, how do we price a job when we allocate it? There is no problem of course if we have competition because then the onus is on the firms which are competing to give you a price which will likely be translated into a firm price. So there is no problem there. Allocation is however a more difficult problem. Ten years ago it was our practice simply

to award these contracts on the basis of actual costs plus a profit. But today we have become more sophisticated. We take the ship, first of all, and we estimate the price of the requirements ourselves, prior to the availability of the ship. We get an official treasury board authority based on a particular order of cost. The allocation has been made by the Canadian Maritime Commission. Funds have been supplied by the Department of National Defence. We put all these things together, specifying the ship's cost, the ship's requirements, and the proposed shipyard. The first thing in ship repair is to open up the vessel to examine what has to be done in the light of these specifications we have supplied, and in terms of any additional work which may only be revealed when we open up the machinery spaces. Then we send a negotiating team into the yard and we negotiate a price. The type of contract may vary with the type of ship and with the job.

To answer another part of your question, we have known work and certain elements of unknown work, so we negotiate the price when the job has been opened up. It is impossible to define what up to that time was unknown work. Then, there is considered our labour factor, which is one of the elements of cost. That is on a target basis. We come to a figure for man hours and we negotiate that. We introduce a target figure in that connection, and if the shipbuilder beats that he gets a bonus; if he does not he loses any profit on the excess. In respect of overhead we negotiate a firm price and, where possible, we negotiate a firm or target price in respect of materials.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I would like to know how you deal with "supplementaries" when you let a contract to build a vessel.

This is my question. When you let a contract to build a vessel the amount is set, for the *Provider* for example, at $16,000,000. Meanwhile, because of defective plans and errors, changes have to be made which increase the cost. This is something that happens quite frequently. How do you determine with the contractors the extra cost you will have to pay over and above the original contract?

(*Text*)

Mr. RUTLEDGE: Your question had reference to how we price work which may be additional to the original firm price?

Mr. LESSARD (*Lac-Saint-Jean*): Exactly.

Mr. RUTLEDGE: We negotiate every item that is extra and we establish a firm price for that. In the case of the *Provider*, which you mentioned as an illustration, we had 75 design changes which occurred during the history of the ship. Every one of those was priced individually. The negotiating officer examines the material, the labour content and the overhead application, as well as the fee, and obtains an exact figure in that respect, which must be authorized by treasury board.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): A lot of mistakes seem to happen along the way. Are the people who design the vessels partly to blame when mistakes are discovered? Is someone responsible?

(*Text*)

Mr. RUTLEDGE: You asked if errors occur is anyone responsible. You used the word "design". It is difficult to generalize on this. If the Chairman would permit, let us take the case of the *Provider* in order to illustrate.

The CHAIRMAN: We will call it ship "X".

Mr. RUTLEDGE: The *Provider* was designed by the navy. By and large it is a very good ship. Certain defects occurred which could be attributed to design problems. Since the design had been established, and since the shipbuilder conformed to that design, you could not hold the shipbuilder responsible for that design flaw, if that is what it was.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I agree with that but in the private industry when those responsible for a department order a piece of machinery the people who make a mistake in their specifications have to bear the responsibility. It seems to me that in the case of government departments, the navy, the army or the air force, no one has the sense of responsibility found in industry. It would seem that there are no penalties for mistakes in those government departments. It would seem that mistakes are allowed at any level of administration without any penalties being imposed. Could you give us a few examples of cases where government administrators have been penalized or dismissed on account of poor administration?

(*Text*)

Mr. RUTLEDGE: The only example I could give you right at the moment is that if the government is suspicious that there has been an error, they could call the responsible official before a parliamentary committee such as this, and he must defend himself. Whether or not you would call that a sanction, I do not know. In answer to the question whether somebody is fired for an error, I could not answer that.

Mr. LESSARD (*Lac-Saint-Jean*): Thank you, Mr. Rutledge. I will return to Mr. Hunter.

(*Translation*)

After reading the two documents, Mr. Drury's and yours, this morning it seems to me the two documents are based on a very definite opinion. In the first place you felt you had to justify the existence of your department, as for some time now the members of this committee have entertained some doubts about its existence, and as a gentleman here has just said you are here to answer that. Could you tell me who prepared the documents that were read to us last Tuesday and again today? I am not asking you to name the person but to tell me what his responsibility is at your departmental level.

The VICE CHAIRMAN: I should state here, Mr. Lessard, that the minister read his document and he himself is responsible for it. Mr. Hunter read his document and he himself is responsible for it.

(*Text*)

Mr. MATHESON: On a matter of privilege, surely—

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I will accept your reply since I must accept it. I have one particular complaint. On page 5 of Mr. Hunter's document it is stated, in the second paragraph, and I quote:

> I can assure the members of your committee that scrupulous care is taken in handling tenders.

This is what I am complaining about. Are your regional divisions in the habit of splitting the tenders they receive so as to let two contracts with regard to one tender? For example plumbing material was ordered recently. There was a fairly long list and three people were asked to tender, all three tendered and two received the tender that had been split up, but the third got nothing. Is

your department in the habit of splitting tenders so as to choose the lowest prices submitted by two tenderers or to obtain the lowest possible price leaving out the third tenderer whose prices were lower than those of the other two? I am quoting that as an example because I had some doubt as in the Saguenay area, or in my own county, the suppliers called in very rarely get an order and I have had a look at their tenders in order to compare the figures. I have found that their tenders were sometimes the lowest and yet they did not get the order. I am now awaiting a report on an investigation I asked your department to carry out in this particular case, but I have not yet had an answer.

(*Text*)

Mr. HUNTER: The general policy of the department, when a long list of supplies is ordered, is that if it makes sense, any order can be broken up, if certain contractors quote low on certain items. But I would qualify it by saying that it happens only if it makes sense. There are cases where out of a hundred items there is possibly one item on which a contractor is lower than another. In this case we would look at it, if it were a small item, and see if it made sense. That would happen if the other two contractors had, let us say, 50 or 49 items on which they were low and the order was being split on that basis. However, generally speaking, and this is one of the terms of our contract, we do not guarantee that we will place the whole order on the list of items on which the tenders are called, with any one contractor. In fact we say the opposite, that we will possibly accept only part of the order.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I would like to add something here. When someone has a contract to service a military station, a radar station for example, when he has finished the job do you normally call on him again to tender or do you just accept someone else without asking him to do so.

(*Text*)

Mr. HUNTER: I would say, Mr. Chairman, that the general answer to that is that the result of any previous tender has no bearing upon any future tender, other than if the contractor had ignored our invitations to tender. But if they advise us that they are not able to fulfil the requirement, they will certainly stay on our tender list and they are continually given the chance to bid, as long as we feel they are interested.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I have given you concrete examples to the effect that that is not done. Your orders here are wonderful. What is said on paper is wonderful but what is actually done is sometimes very different. One last question. On page 6, in the last paragraph, it is stated that your documents are all in French, in English or in the two languages. I have noticed that all the forms sent to our local suppliers are only in English. Could that be rectified?

(*Text*)

Mr. HUNTER: Mr. Chairman, we are at present rectifying it. This may be within, let us say, the last year or so; but when I checked recently I found that all suppliers have been given an opportunity, and were asked if they wished their invitations to tender to be in French or in English, because I understand at certain times specifications lose in translation. Certain firms prefer them to be in English, the language in which they were originally drawn. But unless I am wrong, we like to have all tenders drawn up in both French and English.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): One last question in another connection. Has any thought been given recently to amalgamating the two departments, that is, Defence and Defence Production, in order to reduce the administration. Has the department studied the matter? Do you think it would increase efficiency?

(*Text*)

Mr. HUNTER: Mr. Chairman, perhaps I am a little biased, but I really did not think this would be more efficient, since we have personnel who have been with us since formation of the Department of Defence Production, and in some cases they came from the old department of Munitions and Supply. One reason perhaps there has not been much consideration to integrating the Department of Defence Production with the Department of National Defence is that we recently have been charged with the job of buying for all government departments. So it seemed to be better that we should remain as a separate buying agency, when we take over the buying for the rest of the Government.

The VICE CHAIRMAN: I have left on my list Mr. MacRae and Mr. Martineau. Since the meeting for next Tuesday is scheduled for one of the economic papers for discussion regarding defence spending, and since everything is tied up for that study, we might meet again after Orders of the Day. This committee room is available, and our Reporting Staff and Officials are available, so we might conclude it at that time.

Mr. MARTINEAU: I have been consulting with Mr. MacRae and I find that his question would take about a minute, and my question as well. Perhaps it might be better if we finished with the original line of questioning now.

Mr. WINCH: I have two questions based on the original specifications.

The VICE CHAIRMAN: All right. This afternoon we shall continue with whatever questioning is available, and it may be that Mr. Lloyd and the others would be coming back, when I think we could continue with the Bobcat and everything else. The meeting is now recessed until immediately after orders of the day.

The committee recessed.

The VICE CHAIRMAN: We have a quorum. The point raised by Mr. Winch this morning was in connection with the Canadian Commercial Corporation, and Mr. Hunter tells me that he has some information he would like to give which would help to prepare the questioning which will take place at a later date with the Minister and the President of Canadian Commercial Corporation. It is a very short statement.

Mr. HUNTER: Thank you. I would like to say a word about the apparent conflict which Mr. Winch mentioned this morning concerning information we tabled showing 84 people on the payroll of Canadian Commercial Corporation as of March 31, 1964, on the directive from Mr. Drury to the staff of Canadian Commercial Corporation dated October 28, 1963. I would like to mention that our information shows within the period the staff of the Canadian Commercial Corporation, and in fact their duties, had been transferred to the direction of the Department of Defence Production as of the date of October 28, 1963. Mr. Drury directed it. It was really a matter of finances that they were left on the payroll till March 31, 1964. The money had been set up in Canadian Commercial Corporation, in fact it was in their funds and paid out of surplus of prior years, which was just about used up. Since the funds were there, they were left on that payroll.

One further remark about the legality of what we have done: we have the confirmation of the deputy minister of justice who, acting as the deputy attorney

general, has confirmed that the action we took in accordance with Mr. Drury's directive was in fact legal, in his opinion.

Mr. WINCH: Now is the time to ask a question about the statement just made. How many are now under the direct authority of the President and General Manager of Canadian Commercial Corporation, or should we wait until we have them appear before us?

The VICE CHAIRMAN: I think we should wait until we have them.

Mr. WINCH: All right. I think that my contention has been conclusively proven by Mr. Hunter's statement.

The VICE CHAIRMAN: This morning when reaching the stage of questioning, I had Mr. MacRae next on the list.

Mr. MACRAE: My first question is directed to Mr. Hunter, and it requires statistics. I would be perfectly agreeable if I could get them later on in the form of a letter; I mean statistics of the total purchases for goods and services in the last calendar year, which the minister told us was $745,019,000. I would like to have the portion which was purchased by competitive tender, and that portion which was purchased by other than tender both as to dollars and as to percentage. As I said, I appreciate the fact that perhaps the witness would not have that information here, and I would be perfectly willing to receive it later on in the form of a letter if he does not happen to have it here.

Mr. HUNTER: We have certain information, but I am not sure if it corresponds to the period you are asking about. I would like to ask Mr. Keith about it.

Mr. R. M. KEITH (*Financial adviser to the department*): We have some statistical information here, for the calendar years 1963-1964, but it deals primarily with purchases on behalf of the Department of National Defence only, and we do not have the total information that you have asked for. It would have to be obtained for you.

Mr. MACRAE: You say it can be obtained?

Mr. KEITH: Yes.

Mr. MACRAE: The reason I used that date was that the minister used the calendar year 1963, and it was that figure of $754 million odd. I thought you could pass your statistics on to me.

Mr. KEITH: It may be that we would have to use the government fiscal year.

Mr. MACRAE: That would be all right. My second question will not take too long, but I shall have to lay a very brief groundwork for it. It concerns those manufacturers in Atlantic Canada and in western Canada who tender for supplies to the Department of National Defence specifically through this department. Let us take a tender calling for shoes for the armed forces; let us say it is for 50,000 pairs of shoes. The tenders would be called for from a great many firms. The shoes must be delivered to Cobourg, Ontario, which is an army depot for the Department of National Defence. Then following that the shoes would be distributed to such places as Camp Gagetown in New Brunswick.

Now, in the maritimes we have a number of excellent firms who can only compete if they can do something a bit better, and if people are willing to pay a bit more for it. The shoe firm would have to pare down its price so low that in the final analysis it would lose out, but they want to keep their men working. Part of the cost of the shoes was in transportation. As I understand it, a firm manufacturing like this must pay the cost of transportation from Fredericton —and I use that just as an example—to Cobourg, Ontario. These shoes are then turned around and shipped back to Fredericton. But in the meantime the cost of the transportation is paid by the manufacturer, and even if it is only 10

cents a pair, there may be only a 10 cent differential between the maritime and the Ontario firms near Cobourg, where there may be half a dozen competitors.

I would like to ask this question. Perhaps Mr. Erskine would be more aware of it than anyone else. How much thought has been given to doing something about that in these last half dozen years, or over this last period of time? What is happening to our manufacturers in the maritimes and in western Canada vis-à-vis firms in central Canada?

Mr. ERSKINE: Actually, Mr. MacRae, on the subject of requirements, there are also air force requirements, and they have a depot at Moncton, and at Downsview and at Namao, Alberta. The navy has a depot at Esquimalt on the west coast, and at Montreal. This problem has been of concern to my knowledge for 20 years. I mean this question of transportation. Actually, the supply line problem is such that unfortunately they are not able to standardize the kinds or sizes in clothing. They must use this more or less centralized distribution system to make a maximum use of quantities of personal wearing apparel. I understand the Department of National Defence in its integration program is looking into this whole problem of distribution and supply, so that gradually we may expect some improvement as far as that is concerned, although I have seen many anomalies in which eastern firms have been low bidders on shipments out to Namao, Alberta, but have lost the business on contracts being shipped to Moncton. We actually have a record of it. I do not think I can say what the military supply line will be immediately, but I do know they are looking into it.

Mr. MACRAE: You say it is being considered as a particular problem?

Mr. ERSKINE: Yes.

Mr. MACRAE: Thank you.

Mr. MCMILLAN: I would like to follow up what Mr. MacLean said today. He said: "I understand that our troops in France got their provisions and food and other supplies through the British". What provision is made for our troops in Cyprus and the Middle East? Do you buy for them over here, and ship it to them?

Mr. HUNTER: I shall have to ask Mr. Erskine again. You asked if the United Kingdom government supplies the Canadian army in Germany. The United States Air Force supplies our air division in France, and two wings in Germany. Mr. Erksine will be able to give you the details.

Mr. ERSKINE: I am sorry, but I do not know personally. However, I believe that buying for the United Nations forces is done under an arrangement with the United Nations for all the troops in that particular area. But just which country has the major responsibility for the food, I do not know. We would have to check it back through the United Nations agreement.

The VICE CHAIRMAN: Are there any further questions on the first round? I know Mr. Winch wishes to ask a question on the second round.

Mr. WINCH: Yes, before we get to the details which will follow on the Bobcat.

The VICE CHAIRMAN: One moment, will you please leave that alone for a moment.

Mr. WINCH: Before we do that, there are two questions I would like to ask based on the presentation made by Mr. Hunter this morning. The first question is this: I would like to have from Mr. Hunter the fullest possible clarification he can give us about the authority of the Department of Defence Production to make purchases. May I make it clear as to what I am after. Up until the recent change in your authority and requirements you dealt mostly in purchases for the Department of National Defence. Now, when you receive from the Department of National Defence certain information about requirements, do you automatically have to follow exactly what is said, or do you have

any authority to question it? May I give you briefly two illustrations in order to outline what I have in mind: one will take us back 20 years. As a member of the subcommittee on public accounts we discovered illustration No. 1. During the last war on the purchase of a supply of table linen for officers' messes, there was bought not only enough to take care of them from then until now, but there is still enough for the anticipated requirements of another 35 years.

And here is another one which is more recent. Let us take air force uniforms. These were obtained via the Department of Defence Production. Within recent weeks the air force as a division of national defence has found that not only did they have enough air force tunics for their present requirements for many years ahead, but even on the basis of years ahead they had 12,000 tunics more than they required. The Department of Defence Production bought these air force tunics from Eaton's at a cost of $6.50 each; they are turned over to Crown Assets Disposal Corporation and the highest tender which they received was 17 cents per tunic, and even that was withdrawn as being too high.

Now you see what I am after. This is an expenditure of the taxpayer's money, and it is done through the purchasing agency of the Department of Defence Production. If you go back to the last war, I gave you an illustration of their buying enough linen to last for 50 years for officers' messes. We go into the question of tunics and we find they have 12,000 declared complete surplus which were bought at $6.50, and they cannot even sell them at 17 cents each. These are two examples, and I could give you a great many more. As the Department of Defence Production have you any authority whatsoever to question the amount of material that you may be asked to purchase? Is there any protection of the taxpayer? If you think something is wrong, or is being supplied for 50 years ahead, can you do anything about it?

Mr. HUNTER: Yes, there are a number of things we can do about it. In the first place, if we see a requisition coming forward which we feel is out of line, we can question them to see if they have made a mistake. I do not feel we have any authority to tell them what they must do, but we would certainly question them. And to get back to the subject that you mention of controls on purchasing following official requisition: in the first instance, they have to make up an early estimate of requirements in great detail; they go through about three screenings from various units up to the head of the line of the particular service, and then they are subject to a senior screening review in the Department of National Defence, which we are asked to attend. If it is the air force, I would ask the director of the aircraft division who is more acquainted with the problem to attend; so we have this second chance to raise any point or objection we might have.

The next step in the Department of National Defence is that they must go before the Treasury Board who again after a senior screening internally have a further check made through the staff of the treasury board as to what they want and how much clothing they want, and the detailed requirements if any. Then there is a further check when they go before the Treasury Board, composed of ministers; and I suppose there is a further check when they appear on the floor of the House. This, I think, is really a pretty good screening of their current requirements. I think that funds in national defence are probably watched a lot more closely than perhaps they were some years ago. There seems to be less money to be voted, and things are kept more under control. So I do not really feel there are the problems now that there might have been, when you speak of 20 years ago.

Mr. WINCH: You have no explanation beyond your authority of how, as a department, they would have purchased enough table linen to last for 50 years?

Mr. HUNTER: I do not think we would do it in the first place.

Mr. WINCH: You mean when it was bought?

Mr. HUNTER: As a matter of fact, it may have been purchased 20 years ago, but I do not think it could happen now.

Mr. WINCH: All right. Could you give me any information on how you got 12,000 surplus air force tunics which cost $6.50, when you cannot sell them for 17 cents apiece now?

Mr. HUNTER: These very well could have been tunics of a considerably different colour than the type of tunic that they decided to use several years ago.

Mr. WINCH: They are using the same tunic right now.

Mr. HUNTER: If this is so, then I am afraid I cannot explain how it would happen.

Mr. WINCH: Do you not think it rather unusual to have 12,000 surplus tunics that cost $6.50 apiece?

Mr. HUNTER: I would have to know more about why they were surplus.

Mr. WINCH: They were declared surplus by the Department of Defence Production. Do you have any information on this subject?

Mr. HUNTER: They could have been purchased any time during the last five years, and I would not guarantee that our screening would narrow it down to 12,000 uniforms over five years.

Mr. WINCH: So basically you cannot challenge the orders which are given to you?

Mr. HUNTER: You say we cannot challenge them; if we felt them to be out of line for any reason, we would question them, if not challenge them.

Mr. WINCH: Under your procedures now do you have a method of a closer check-up on whether what you have been asked to buy is actually required? Do you now have to make a closer check-up so that matters of this kind cannot happen again?

Mr. HUNTER: No, we do not. I think it is felt that there are enough of these other controls which I mentioned which would catch any error of size. You ask about their happening now. We are going to be in a much more difficult position, when we buy for all the government in the next several years, and we have made it a point that we are not a control agency, but that we are there to buy what the various government departments want. We leave the methods of control up to the Treasury Board, and we are prepared to do the things required of us: they must explain to Treasury Board when they get the money in the first place.

Mr. WINCH: That is exactly what I am after. You just said that as the Department of Defence Production you are there to buy what other departments want, be it right or wrong.

Mr. HUNTER: That is so, but if things appear to be incorrect, we would discuss it with them and ask them if it was in order, because we have had from 20 to 30 years experience in buying ourselves; we have a pretty good idea of what is required, whereas people in the services do change from time to time, and mistakes are perhaps made more easily by those people probably than by those who have been doing this type of thing for 20 years or more.

Mr. WINCH: May I ask one more question: Do you feel that you have any responsibility in the department as such, when evidence came up before the committee that in one year the Department of National Defence has turned over around $33 million of surplus goods to the crown to be sold for only a few thousand dollars. Did you feel any responsibility to investigate the matter when this came up about two months ago?

Mr. HUNTER: I certainly did. I happen to be the vice president of Crown Assets Disposal Corporation, and I happened to know they were mainly aircraft

parts. So I asked our aircraft branch to check into it, and come up with the reason why this sort of thing would happen. These parts were largely for aircraft being phased out of the inventory of the R.C.A.F.; and after looking at it, it did not seem to our aircraft people—who were more familar with the spares which you have to have to keep aircraft in the air—to be too far out of line. But I admit that it sounds like a lot of money.

Mr. WINCH: It sounds like a lot.

Mr. HUNTER: Yes, but I do not think the total figures were too far out of line.

Mr. WINCH: On page 2, in the first paragraph and second sentence you say:

> It is our departmental policy to buy, wherever possible, at firm prices obtained as a result of invitations to tender issued to those known suppliers who have given evidence of ability to carry out the contract.

May I ask Mr. Hunter if he could give us some idea of what the phrase "known suppliers" means? And before I put that question may I ask him how long he has been deputy minister?

Mr. HUNTER: I was appointed in 1962.

Mr. WINCH: You mean within the department?

Mr. HUNTER: Yes, and I was assistant deputy minister for the previous eight years.

Mr. WINCH: I think I may direct my question to you: Would you give us an understanding of what "know suppliers" means? And will you be kind enough to tell this committee whether you include in that term of known suppliers any lists from the government or from party sources to the effect that they are to be invited to tender or will be given any preference? Would you be kind enough to give us a truthful answer to that question?

Mr. HUNTER: I can give you my answer without any hesitation. We have only one set of source lists, and they are the people whom the directors of our branches feel are competent to supply defence materiel.

Mr. WINCH: You say to your knowledge the Department of Defence Production in all its aspects has never been given any list outside of what you yourself know of, as to those that should be invited to tender, or to be given a preference?

Mr. HUNTER: That is right.

Mr. WINCH: Will you now tell us then what is meant by "known suppliers"?

Mr. HUNTER: By "known suppliers", we mean the suppliers of whom we are aware, either through their bringing themselves to our attention, or our having known of them through having operated in the predecessor departments which go back to about 1938, I would say, and anyone who is asked to be added to this list in the meantime. In other words, they are all known suppliers who are capable of meeting the requirements, which are mentioned above, to supply materials. That is what is meant by "known suppliers."

Mr. WINCH: Do you send tenders to all and invite them to tender, or do you only select persons or companies for certain materials that you want?

Mr. HUNTER: On the head office requirements, which are roughly all those over $10,000, it is my understanding—and I can check this with my departmental secretary, who is here—that we send them to all people on the lists.

The VICE CHAIRMAN: Are those all the questions on the general statement? If so, very well. We had circulated to us two statements of fact or summaries. One concerning H.M.C.S. *Provider,* and the other concerns the *Bobcat* program.

For the purposes of the record I would accept a motion that these two summaries be printed as part of the proceedings to appear right at this stage. Mr. Lloyd moves it and Mr. Fane seconds it. The motion is agreed to.

The statement is as follows:

"HMCS" PROVIDER

As a preface to a discussion of the costs associated with the construction contract for the *Provider,* several points should be highlighted:

(1) The *Provider* is a combination tanker and supply vessel of approximately 22,000 tons displacement intended to replenish stores, both solids and liquid (fuel), in ships at sea. Transfer of solids is to be achieved by suspending a travelling platform on lines strung between the provisioning and receiving vessels. Transfer of liquids takes place through flexible hoses suspended in the same manner.

(2) In September, 1958, the government was informed that the estimated cost of the *Provider* was likely to be $16,875,000. In addition, the then minister of national defence, in his white paper of April 1959, stated that the cost of the *Provider* was estimated at $16,000,000.

(3) The cabinet, on June 25, 1959, advised that a contractor was to be selected on a competitive tender basis. Six companies tendered and Davie Shipbuilding Company Ltd. was the lowest bidder. Treasury board authorized the contract with Davie Shipbuilding on August 17, 1960 and completion was scheduled for July 31, 1963. Final acceptance took place on November 29, 1963.

(4) It was the first major contract in the history of naval shipbuilding in Canada that was awarded on a competitive firm price basis. The industry in question had advanced from cost plus to incentive contracts but not to competitive ones.

(5) The *Provider* was a "first of its kind" and as such had certain development characteristics. In deciding that this requirement would be procured on the basis of competitive tenders, it was recognized that any error in calculating the cost of certain of the development aspects of the program could prove extremely damaging to the successful tenderer.

(6) Therefore, to ensure effective, honest competition, prospective contractors were asked to tender on known requirements, so that all would quote on the same basis, segregating and excluding those aspects of the program which were still in the process of being defined or could not be calculated accurately. These included escalation on labour and materials, depot spares and some additional "on board" spares, construction and materials requirements, design changes and sales tax.

(7) It is most important to note that at least nominal provision was made at the outset for every item mentioned in (6) above. They were included in the original submission for contract approval from treasury board and every step taken was done so with full knowledge of its implications and with prior authority from treasury board.

To be specific, the original submission for contractual authority which was approved by Treasury Board on August 17, 1960, covered:

Basic competitive tender quotation	$11,040,960
Preliminary estimate of sales tax	1,300,000
Preliminary estimate of depot spares, etc.	557,665
Preliminary estimate of construction and materials requirements	870,000
	$13,768,625

The treasury board also noted that there would have to be provision for escalation costs on labour and materials, which is normal in the shipbuilding industry, especially for a program of this duration. Treasury board authorized the acceptance of this provision from the outset but a specific estimate of the probable cost was not projected. Over the 3½ years of construction, there was escalation at the rate of 3.4 per cent of the original contract price per year for a total amount of $1,300,000.

Therefore the original treasury board authority actually comprised:

Basic competitive tender price	$11,040,960	
Preliminary estimate of sales tax	1,300,000	
Preliminary estimate of depot spares, etc.	557,665	
Preliminary estimate of construction and materials requirements	870,000	
Escalation on labour and materials	1,300,000	(EST)
Total amount covered by original treasury board authority	$15,068,625	
Final estimated construction contract price	16,382,904	
Difference	$ 1,314,279	

The difference of $1,314,279 between the actual original treasury board authority and the final estimated construction contract price is comprised of two elements:

(1) More definitive cost figures for sales tax, depot spares, etc. and construction and material requirements, the preliminary estimates of which were included in the original treasury board authority.

(2) Incorporation of design changes raised by the RCN during the course of program, which accounted for only 4.5 per cent of the original contract price.

Recapitulation of the Difference of $1,314,279

Additional sales tax	$ 237,510	(EST)
Additional depot spares, etc.	248,335	(EST)
Additional construction and materials requirements	324,944	
Design changes	503,490	
	$ 1,314,279	

Summary of the "Bobcat" Program

The development program for the Canadian army amphibious armoured tracked vehicle (Bobcat) was initiated formally in February, 1954, and was terminated in December, 1963, The design responsibility for the program rested with the Canadian army, except in the latter stages when it was transferred to the contractor. The army was also responsible for project management except in the last phase when this was transferred to an interdepartmental steering committee. The Department of Defence Production was responsible for the negotiation and administration of the contracts associated with the program.

The following is a brief history of the four stages of the "Bobcat" program and the problems that were encountered.

Initial Concept

In February, 1954, the Department of Defence Production received a contract demand from the Canadian army for the development and production of one mild steel prototype infantry carrier. Eight firms showed an interest in this project and a survey of their facilities and staff took place, with the result that a contract was placed in August, 1954, with Leyland Motors, Montreal, Quebec. (This company was later absorbed by the Canadian Car Co. Ltd., Montreal, Quebec). A vehicle was delivered to the army for evaluation purposes in the early fall of 1956 and the final cost of this contract was $1,010,856.34.

Family Concept Phase I

During the latter stages of the development of the aforementioned personnel carrier, the army decided that a common chassis could be developed that would permit the mounting of other types of bodies. As a result, the next stage in the development of the "Bobcat" involved the entry into a contract with Canadian Car Co. Ltd. in November, 1956, for the development of three prototype mild steel light tracked vehicles in accordance with this new "family concept". A sum of approximately one million dollars was provided for this purpose. However, during the course of this contract there were a number of development difficulties which required the provision of additional funding.

The three vehicles called for in the contract, namely, two personnel carriers and one self-propelled howitzer, were taken over by the army in October, 1958, for testing. The cost of this phase of the program was $1,933,670.38.

Family Concept Phase II

The third part of the program involved the entry into a contract with Canadian Car Co. Ltd. in April, 1959, for the purpose of assessing engineering tests on the three prototype vehicles, producing an armoured hull and designing and manufacturing an unarmoured load carrier body. In June of 1959, the company advised that a study of the work required by the army indicated that the funding for this phase of the program should be approximately $1,260,000. During the course of this phase, there were certain changes in the specified work, including the production of a complete armoured personnel carrier instead of an armoured hull, which was originally intended to be mounted on a modified chassis. It was estimated that these changes would require additional funding of approximately $644,000, and these funds were made available.

The master armoured personnel carrier and the unarmoured load carrier body which had been developed were delivered to the army in October, 1960, and the final cost of this phase amounted to $1,968,883.

Family Concept Phase III

The results of field tests indicated that the personnel carrier would have to undergo some product improvement before it could be accepted for field use. However, in order for the program to proceed in an orderly fashion, it was decided to enter into contract with Canadian Car Co. Ltd. in March, 1960. This contract called for a product improvement program and a pilot production run of twenty vehicles. It was decided that on completion of pilot production, tenders would be invited for the production of 500 "Bobcats" at an estimated cost of $25,000,000. The contract for product improvement and pilot production had a ceiling price of 3.7 million dollars, and an interdepartmental steering committee was established to monitor the program. For this phase, the design responsibility for the program was transferred from the Canadian army to the company.

The first vehicle commenced its trials in February, 1963, and certain defects which required further engineering study became apparent. As a result, the proof trial was not completed until July. A number of major faults showed up in the vehicle and it was returned for further work.

Hawker-Siddeley, who had taken over from Canadian Car, advised that it had overspent the contract by approximately 1.5 million dollars and that an additional expenditure of 1.4 million dollars would be required to complete the program.

Contract Termination

Since the proof trial faults could not be corrected without a great deal of redesign and development work and because vehicles could be obtained more cheaply from other sources, the contract was terminated in December, 1963. The terminated contract was audited by audit services branch of the treasury, and it was determined that there was an aggregate over-expenditure of $1,642,149. The contractor asked to be reimbursed $799,612, or approximately 50% of the over-expenditure.

The Department of Defence Production was of the opinion that the over-expenditure was due to the fact that the changes to be made in the prototype vehicle required major redesign and development rather than product improvement. In consequence, the actual work involved in producing the twenty vehicles turned out to be much more extensive than was originally anticipated.

The department therefore recommended that a sum of $735,621 be paid the contractor in full settlement of his request. This was approved by the Government.

The following is a summary of the costs incurred in the "Bobcat" program and the projected expenditures in thousands of dollars:

	$000's	
	Projected Expenditure	Costs Incurred
1. Initial development	$ 1,011	$ 1,011
2. Family concept phase I	1,933	1,933
3. Family concept phase II	1,969	1,969
4. Family concept phase III	3,600	3,600
5. Production	21,300 (Est)	—
6. Termination costs	—	736
TOTAL	$ 29,813	$ 9,249

Summary Of Reasons For The Cancellation Of The "Bobcat" Program

It is difficult to determine precisely all the various factors which resulted in the termination of the "Bobcat" program. However, in retrospect, it can be said with some certainty that the following were contributing factors:—

1. The scope of the program was not adequately defined at the early stages of the program and consequently the program was inadequately financed. The necessity of re-funding and re-approval at various stages throughout the program resulted in lengthy delays.
2. The design requirements for the Bobcat were altered a number of times over the course of the program which necessitated changes in the development of the vehicle although this is not abnormal in a development program and was probably not a major consideration in the ultimate lack of success.
3. Similar developments were undertaken in the United Kingdom and in the United States and at the time of cancellation of the Bobcat fully operational vehicles were available from the U.S. at considerably less than the projected cost of the Bobcat and with much earlier delivery for Canadian army use. The United States vehicle had by that time also been adopted by a number of other NATO countries.

Conclusions

The experience of the Bobcat has brought home the following points:—

1. Agreements with our allies for the delegation of responsibility for the development of complex military items backed up, if possible, by supply arrangements are highly desirable. However, the Bobcat project was not of an order of magnitude or complexity that would preclude Canada undertaking it alone.
2. The full scope of development projects should be determined early in the program and adequate financing provided.
3. It is essential that once a decision is made to proceed development projects should be pursued with determination to achieve the desired result expeditiously.
4. While all development projects involve risk, this risk is greatly increased by hesitation and delay in the course of the project. Review procedures are necessary during the course of the project to ensure that it is stopped with minimum loss if changed circumstances warrant this. However, these reviews must be designed to avoid delaying progress while the risks remain acceptable.

Now, we have the *Provider,* which is current. I suggest that you ask your questions, if any, in regard to H.M.C.S. *Provider*. Perhaps to assist the committee we might ask Mr. Rutledge to summarize or give us any additional comments he may wish to make in order to introduce this subject. But the statements will appear, as I have said, in the minutes right at this point.

Mr. RUTLEDGE: Mr. Chairman, I think the *Provider* is under discussion at the present time principally because of the apparent difference in prices between the basic tender of $11,040,960, and the final estimated cost of construction of $16,382,904. That I understand is the central issue, and it quite understandably is of immediate interest to this committee. In a few general observations on this subject I would reaffirm what has been stated in the

summary, that the government was informed before the contract was awarded and before construction commenced that the order of cost was likely to be in excess of $16 million. That was the best estimate and the best order of cost we could obtain at that particular time, and our final figures correspond quite accurately to it. The difference between the two prices quite clearly defined here is basically—if I might express it this way—that the original competitive price was exclusive of sales tax.

We had reasons for excluding sales tax, because the contract was going to require approximately 3½ years, and it might be subject to variations in sales tax. We had a recent ruling at the time from the Department of National Revenue that certain costs would be excluded from sales tax, such as drawing office costs, so for the purposes of comparison it seemed that we should exclude sales tax of 11 per cent as a factor here. It was estimated at $1,300,000.

The second major contributing factor to this difference in price was our acceptance of the principle of escalation of labour and materials. We did not seek escalation, and when we called for competitive tenders we clearly indicated in our invitation that we would give preference to those shipbuilders who were able to quote a firm price without any escalation. Every shipbuilder came in with escalation as a factor. But we did not allow unlimited escalation. We put a ceiling on escalation of 10 per cent. But, in addition, escalation was justified, because of the extended period of the contract during a time of rising prices in both labour and materials.

Those two factors account for a major element in the difference. The only third point I would make is that at all times we informed the treasury board, and by implication the government, of the cost factors that were involved. I would also like to point out that at no stage did the contract become a cost reimbursement contract. If there were any extra charges in the form of design changes, design modifications, or anything of that sort, we priced that out individually, separately, and arrived at a firm price for them.

Mr. LLOYD: Mr. Rutledge, do you have figures for all the tenders? How do they compare with each other?

Mr. RUTLEDGE: We received six quotations, and comparing them on the same basis, that is sales tax exclusive and on the basis of the employment of Canadian components wherever possible—this was a very important factor—they varied from the price of the Davie Shipbuilding, which is available to you, to the top price of $17,666,076.

Mr. LLOYD: What was the next lowest tender?

Mr. RUTLEDGE: The next lowest tender, on this basis of employing Canadian components, was $11,793,750.

Mr. WINCH: Was a comparison between the lowest tender, the highest tender and the final price obtained?

Mr. RUTLEDGE: Would you please repeat that question?

Mr. WINCH: What was the relationship between the highest price you received and the final price that you are paying for the *Provider*?

Mr. RUTLEDGE: The highest price that was quoted is in excess of the final price we are paying.

Mr. WINCH: That is the final price? What do you pay now?

Mr. RUTLEDGE: It is $16,382,904.

Mr. WINCH: Five million dollars over the bid?

Mr. HARKNESS: It was $5 million over the bid because you left out the sales tax, and so on. The final cost of course includes the sales tax.

Mr. LLOYD: I take it for granted that Mr. Rutledge, in the course of the questioning that I was pursuing, will point out the fact that presumably

there was a fair comparison of the work to be done when you called for tenders, and that the figures you are giving me, ranging from $11 million to $17 million, were comparing apples with apples, but when you compared the total cost of $17 million with the final cost of the Davie's contract—$16 million, I believe—you have added to the work program from the original tender a number of modifications, changes in designs, and additions in sales tax?

Mr. RUTLEDGE: It would be quite unfair to compare the highest quoted price, the $17 million, with the final price because, as you very well pointed out, Mr. Lloyd, originally we were comparing apples, but now you have introduced in the final price other factors that would have affected equally the highest tender.

In other words, the sales tax was exclusive right across, so that you would have to add a sales tax, you would have to add to that figure escalation, you would have to add to that figure design changes and modifications which would have applied irrespective of what shipbuilder you would be dealing with.

Mr. LLOYD: So that these additional costs would have had to be added to the $17 million had you awarded the contract to the higher bidder for some unknown reason? Is that what you are saying?

Mr. RUTLEDGE: I tried to clean up the point that Mr. Winch raised. To get back to my line of questioning, you said the second tender was $11 million.

Mr. RUTLEDGE: The second tender on that basis.

Mr. LLOYD: On the basic competitive tender quotation?

Mr. RUTLEDGE: We have a second tender here that is even lower than that, and I will introduce it simply for the purpose of clarity. We had another figure here, somewhat lower than the one I quoted, but it was taken on a high foreign content, and this was one of the factors in our assessment of tenders. We were attempting to achieve a high Canadian content in this vessel. It was the type of vessel that lent itself to a high Canadian content. The very basic characteristics of the ship were such that you could use a high percentage of Canadian components. We rejected that second lowest bid not on the grounds of price but rather on the grounds of foreign content.

Mr. LLOYD: So then I gather you had three quotations which were in the same general range or level of prices, did you not?

Mr. RUTLEDGE: Yes.

Mr. LLOYD: Forget the Canadian content for the moment; in terms of dollars, in reply to your call for tenders to the basic competitive tender quotations, you received three quotations between $11 million and $12 million?

Mr. RUTLEDGE: As a matter of fact, this is the sort of information that could be very simply tabled. It is rather difficult to identify this by word of mouth. Practically every company quoted on two bases, the high foreign content and the high Canadian content. On those who had a high Canadian content we had two bids in the $11 million area. Where they went to foreign content, the same bidders quoted on foreign content and were also low on that.

Mr. LLOYD: The significance of your answers here I think is that this is an illustration of how you weighed in your awards in your consideration of the production of Canadian industry, and in your awards you paid due regard to the volume of production of Canadian industry which would be involved in this contract. So that a judgment or decision on your part may result in an award to a higher tendered bid because of the fact it had a relatively high quantity of Canadian content. Has this happened very often?

Mr. RUTLEDGE: The key word that you used was "judgment". You must exercise judgment in matters of this type. I do not think we would have any right to pay a grossly extravagant premium for the privilege of buying a ship that was totally Canadian in content. Several of the conditions we set forth

in the use of Canadian components were these: there must be reasonable competition; a shipbuilder must be able to acquire reasonable competition in the supply of those components. In other words, no company must be set up in this business simply to produce a component for this ship. We were not trying to create new facilities, we were simply trying to take advantage of the existing facilities with reasonable economy.

Mr. LLOYD: Surely then the Canadian content does weigh in your conclusions? It might very well be that you would have a tender for $14 million with a very high degree of Canadian content, and another bidder with a very high degree of foreign content bidding $2 million lower, but if the factors were heavy enough you might very well award the contract to the $14 million bidder because in your consideration you gave weight to the volume of production in the Canadian economy.

Mr. RUTLEDGE: That is correct.

Mr. LLOYD: When you say you have competitive tenders you try, in your method of calling for bids, to bring out comparable factors as much as you can so as to make them as competitive as you can, but there is a high degree of judgment that has to take place in awarding a contract, is there not?

Mr. RUTLEDGE: On a matter such as you have used for purposes of illustration, that is the question of Canadian content, there is. However, there is also a very high degree of technical judgment that must be exercised by the Department of National Defence. I would just like to illustrate the complexity of this. A ship of the size of the *Provider* would unquestionably have about 10,000 classes of items in it. I am not just counting individual items, I said "classes of items". So you have a highly complex situation there, the assessment of which involves the exercise of the very finest technical judgment by the Department of National Defence.

Mr. LLOYD: Mr. Chairman, I am mindful of your admonition this morning and I apologize if I was too lengthy. I would like to put one more question to the witness on the matter of design which I believe was raised by Mr. Lessard this morning. I want to follow that up, and then I will be finished. On the question of design, as it applies to the *Provider*, could no ship be found elsewhere in the world that had been tested, designed, proven, and that could have met the requirement of the navy? Did we design this ship completely in Canada?

Mr. RUTLEDGE: Yes, the ship was completely designed in Canada and the design agent was the navy.

Mr. LLOYD: Does your department feel that an economy could be effected by making a good search around the world for a kind of ship already in operation, the specifications of which you could obtain?

Mr. RUTLEDGE: I would say that we are in this instance somewhat victims of the description of the ship as a tanker. I suppose there are very few commercial vessels that are easier to construct than a tanker, but a tanker takes liquid materials from point X to point Y. This particular job here cannot be compared with a commercial tanker. If all you were looking for were a tanker, you would not have to search the world, you would find plenty right here. This ship is a tanker but it also has warship characteristics. It is designed to increase the effectiveness of the fleet. It was to sail at 20 knots, it was to have a range of 5,000 miles; it was to be able in high seas to replenish a destroyer escort both with solid supplies and with liquid supplies, and the requirements of this ship are not likely to be met by any commercial vessel because there is not that sort of need in the commercial world.

Mr. LLOYD: This leads me to this conclusion then, Mr. Rutledge, that Canada had decided it needed a ship of a particular design, unique among ships of other navies in the world.

Mr. RUTLEDGE: No design agent conceives of a ship that is going to be unique in every respect. The navy made use of the knowledge of the state of the art, of the new scientific information available from other navies, et cetera. It has undoubtedly ended up with a ship that was somewhat unique. A further pursuit of this line of questioning on your part places me, sir, in a rather difficult position because this question can only be answered properly by the Department of National Defence.

Mr. LLOYD: I will finish my questioning by asking you who designed the *Provider*, naval architects, the Department of National Defence, or were outside consultants engaged?

Mr. RUTLEDGE: The Department of National Defence.

Mr. MACLEAN (*Queens*): My first question is for clarification. Is the figure of $16,875,000 in paragraph 2 comparable to the final figure given on page 2, that is the final estimated construction contract price?

Mr. RUTLEDGE: It appears to be comparable. I might interpret a little bit more the first figure for you.

Mr. MACLEAN (*Queens*): Does the first figure include the sales tax and all these additions or does it not?

Mr. RUTLEDGE: I really do not know. This is a figure that the Department of National Defence used at the time when they were seeking authority. We did not come into the picture at this point. It is hardly an estimate. It is what we would refer to as an order of cost. I do not really know the precise composition of that order of cost.

Mr. MACLEAN (*Queens*): I am trying to lead into my question which is related to this. I would like you to give us from your experience a contrast or comparison of the estimated cost in this case and the final cost on one hand as compared to the estimated cost and the final cost of shipbuilding programs which have been allotted rather than given by tender. I would like this in general terms, of course.

Mr. RUTLEDGE: Currently we have a body of data available to us that we can estimate with reasonable precision. On our last destroyer escort program, referred to as the MacKenzie class, we estimated the final costs at approximately $25 million. If you go back to naval shipbuilding as recently as 10 years ago, you will find that the original estimate bore very little relationship to the final cost. The differences are rather staggering, but that I think is a matter of public record. However, today these estimates are done with a degree of precision, and I would like to believe a professional competence that we did not have then. Ten years ago we had an industry that had little experience in sophisticated naval shipbuilding, and I would go so far as to say that the navy did not have that quality of experience that it does today.

Mr. MACLEAN (*Queens*): So that these initial estimated costs in recent years have been more realistic than they were then?

Mr. RUTLEDGE: Quite realistic.

Mr. MACLEAN (*Queens*): I have one more question of more specific nature with regard to shipbuilding. When a contract is given to a shipyard and to suppliers of components—I am thinking of winches, pumps and this sort of thing—if some of this machinery, before the ship is taken over, fails, breaks down or is unsuitable, who is responsible for making good the cost in this case, is it the manufacturer or the shipyard? I am thinking of a case where

some machine perhaps broke down during the trials. It is a very costly procedure to bring the ship back to the shipyard. The total cost involved might be many times greater than the cost of the item in question. What is the element of guarantee of performance?

Mr. RUTLEDGE: First of all, those components are under warranty.

Mr. MACLEAN (*Queens*): By the manufacturer?

Mr. RUTLEDGE: Yes. If you would like me to relate your question to the *Provider,* I can do so.

Mr. WINCH: Bring in the winches. God help us, they broke down on the *Provider.*

Mr. LLOYD: Pumps and winches.

Mr. RUTLEDGE: I certainly will not resist that question. The manufacturer did produce in this instance winch pumps which were defective. The crown had no contract with that specific component manufacturer. It had a contract with the shipbuilder. Therefore our relationship was entirely with the shipbuilder, in this instance Davie shipbuilding. It was found these winch pumps were defective. They, in turn, must deal with the manufacturer. The manufacturer in this instance had to replace them at his own expense in their entirety. I will not be surprised if the Department of National Defence does not submit a claim to us for costs, inconvenience, and so forth, associated with the very replacement of those winch pumps, but basically the manufacturer is responsible, and in this instance he replaced them.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): When we were discussing the matter on the Defence Committee and particularly when we visited the *Provider* at Halifax our attention was somehow drawn to the fact that it was not entirely satisfactory, that some part was faulty, and that changes would probably have to be made in the near future. Is it a fact that your department was asked to make certain changes to the *Provider* and if so has the contract for those changes been actually let to a firm?

(*Text*)

Mr. RUTLEDGE: Yes, sir. Let me make one general statement first of all. There have been difficulties with the *Provider,* but the navy at the present time referred to this as a very good ship. We had three cases of what you might call follow on contracts in the case of the *Provider*: one involved the modification of one of the existing replenishment stations, another, the remote control for some winches, and a third, the introduction of flow stabilizers. Contracts were let in the first case to Lucas Rotax, in the second to Vickers Sperry and in the third to Saint John Shipbuilding Company.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Do you have an approximate idea of the cost of these changes at this time?

(*Text*)

Mr. RUTLEDGE: In the first case, in the case of the modification of the existing replenishment station, approximately $30,000. In the second case, with Vickers Sperry, $13,000—I am giving you approximate figures—and in the third case I can be quite precise, $32,864.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): And this covers all the changes the Navy has asked for or suggested are necessary for this material.

(*Text*)

Mr. RUTLEDGE: These are all that they have designed and these are all for which we contracted. For me to say that that is all would be wrong. They have encountered some difficulty with vibration of the ship at certain levels. This finds its origin in a problem in design. It may be that the flow stabilizers will correct that. On the other hand it may be that it would be necessary to introduce a new design of propeller, but this we do not know as yet. I simply want to leave with you the idea that there could be further follow-on contracts, but nothing has been asked of us at the present time.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): One last question. The vessel was to be ready in July 1963 and I suppose the Navy took it over in November of that year, that is, about 4 or 5 months later. During that time when I suppose the vessel underwent certain tests at sea, were any changes made to it by the builders, Davie Ship Building, during that time?

(*Text*)

Mr. RUTLEDGE: Yes, and that is customary. When construction of a ship is completed, the ship goes on contractor's sea trials. He must prove the ship at that point, and it is normal that many deficiencies will be found at that stage. That is a very normal thing, and the owners or owners' representatives are on board during that period. A large group of experts go to sea on the vessel and examine every piece of equipment to ensure that it meets their standards. Following that, you have a conference of the various parties, the contractor, the Department of Defence Production, and the navy who play at that stage the role of the inspectors, and the owners. Many times the component manufacturers are also present. You end up with what is called a deficiency list of items that must be corrected, and if possible those are corrected before the ship is accepted. If not, they are listed as deficiencies and it is the responsibility of the shipbuilder to correct them, and the acceptance of the ship is subject to these exceptions.

Mr. WINCH: Mr. Chairman, all questions except one have been asked by Mr. MacLean. I can only go by newspaper reports but what is the basis of disagreement between your department and the ship-builder over the amount of $700,000? Is it usual to have a disagreement like this on an amount of $700,000 after you have a contract and you pick up all the extras?

Mr. RUTLEDGE: The amount seems very large.

Mr. WINCH: In comparison with the original contract of $11 million, it does seem rather large.

Mr. RUTLEDGE: Yes, quite. It is substantial. It is difficult to say that it is common, because you are reminded that this is the first case on which we could engage in a major shipbuilding exercise on a competitive price basis. If you are not on a firm price basis, then the type of difference is somewhat obscured. If a contractor is going to be paid on the basis of costs and reimbursement, then this does not occur. It is in the tight firm price situation that this occurs. We really have not pre-judged this. The contractor said that he lost this money on the job, and I suppose, in general terms, he made application for what is an *ex gratia* payment for something beyond the terms of the contract. We have assessed the evidence thus far, but more evidence is required, and a final judgement of this would be made by a committee of my colleagues, under the chairmanship of Mr. Huck, this committee would go into the merits of it. But we are not in a position to reach any final conclusions at this time about it at all.

Mr. WINCH: May I change my question a little bit, again going on the basis of newspaper reports. From what I have heard, I understand that this was a firm contract with the Davie Shipbuilding Company.

Mr. RUTLEDGE: That is right.

Mr. WINCH: And that you have paid or authorized to be paid all extras for changes in addition to the firm contract bid.

Mr. RUTLEDGE: That is right.

Mr. WINCH: Now, I understand from what you say that basically they are asking for $700,000 from your department, or from the federal treasury because they made a mistake in their firm contract bid, and lost $700,000. Are we not getting down to fundamentals?

Mr. RUTLEDGE: You are certainly getting down to fundamentals, sir.

Mr. WINCH: Is it customary for your department to make up a loss to a company after it has accepted a firm contract bid?

Mr. RUTLEDGE: Oh, no. But I would like to leave two thoughts with you: First of all, for us to make any adjustment in this contract simply on the basis of a loss, if there was any justification for it, we simply would not do it. However, in a situation as complex as this there may be circumstances in support of which they wish to bring in evidence where errors have occurred which they feel are beyond their responsibility as contractors. But for the contract itself no, no, we do not go around saying such a thing. To do so would completely deny the entire principle of a competitive and firm price contract. If you could do that, you would simply have a cost reimbursement contract. There would be no risk.

Mr. WINCH: That is the exact point I would like to point out, if I could, there was a firm contract bid.

Mr. RUTLEDGE: That is right.

Mr. WINCH: And you paid that firm contract?

Mr. RUTLEDGE: Yes.

Mr. WINCH: Your department did, and you have already paid all the extras for changes?

Mr. RUTLEDGE: Yes.

Mr. WINCH: Then on what basis, if you paid both, is consideration being given to another $700,000 payment as requested by the firm itself?

Mr. RUTLEDGE: First of all, we have not given final consideration to it. This is a sort of matter that is almost semijudicial, I might say, in the exercise of judgment here. This matter has not been presented as yet to the contract settlement committee. All the evidence has not been supplied of a type which in any way convinces us about it. However, there may be some evidence of which we are not aware.

Possibly I might illustrate a type of situation which might create such a thing. I mentioned that this ship has warship characteristics; although it is characteristically a commercial ship, it does possess warship characteristics as well.

Mr. WINCH: It is not armoured?

Mr. RUTLEDGE: No, but it is a structure of a type that is built to standards which are very exacting, and a type which would be characteristic of warship construction. It is much more difficult to build it than to build an ordinary commercial vessel. There you do not have the penetrating inspection that is required in a ship of this type that is going to become part of our defence effort. One of the factors that is very important to the contractor is the degree of the inspection to which he is going to be exposed. It is extremely costly to

the contractor if he is exposed to that exacting degree of inspection, when he did not provide for it in the first place, and when he had not allowed for it in his price.

Mr. WINCH: May I get this clear: are you saying that when a firm contract is let for a ship which is to have warship characteristics, there are cases that do not provide for this type of inspection in the contract?

Mr. RUTLEDGE: We choose to believe that there is. I was attempting to illustrate a type of situation where you could have a variation, and I was using it purely for the purposes of illustration. But there is a lot of judgment to be exercised. Let us suppose the navy required that the ships go out for a month of sea trials, and he has allowed for only two weeks of sea trials. Three weeks difference in the cost of this ship would be a tremendous amount. I do not want to bind myself in a position which endorses added cost, but I simply want to illustrate for you that it could occur.

The VICE CHAIRMAN: I think there is a great deal of speculation and presumption concerning a case which is almost of quasi judicial character. I do not think it would serve the ends of anybody to speculate further about it.

Mr. WINCH: Except that as a member of this committee I am permitted to get down to the details of the situation, and why it arose.

The VICE CHAIRMAN: I know, but you are not judging it because you have not got the evidence, and neither has the department.

Mr. WINCH: I have one more question. This is the first time in 11 years when I have been able to get an answer to a question which has to do with shipbuilding. May I proceed now to the *Provider* situation. When calling tenders for a ship like *Provider,* or for anything else as between eastern shipyards and western shipyards, we are told that there is greater efficiency and better workmanship in the west, but you also have the transportation of steel to think about. What is your line of demarcation as between the west and the east on a ship like this, when you have expenses going one way, and efficiency going the other? I know this is the sort of question which is asked in the house all the time, but how do you decide it as between east and west?

Mr. RUTLEDGE: May I paraphrase your question as follows: how can we determine whether there is a differential between costs in the east and the west? Let us relate this to *Provider.* I think it is fair to say that it is almost impossible to come up with a reasonable formula which would be fair in that instance, because you have factors on both sides. I am sure you would agree with me that the climate on the west coast cannot be compared with that of the east, and this in turn means that western construction is more favourable.

Mr. WINCH: I cannot ask you any nasty questions from now on.

The VICE-CHAIRMAN: I would like to point out that it is now 10 minutes to 5 and we would like to cover the Bobcat program as well.

Mr. MACLEAN: I have one brief question for Mr. Hunter of a general nature. The statement has been made that the department is the common purchasing agent for common user items for all departments. May I ask him if ships are considered as common user items?

Mr. HUNTER: They have not been considered so, as yet. The government has chosen to treat shipbuilding and ship construction as a separate item, and Mr. Rutledge is chairman of the interdepartmental committee having to do with recommendations to the government on what is to be done.

The VICE-CHAIRMAN: That concludes the questioning on *Provider.*

Mr. LLOYD: I have one question.

The VICE-CHAIRMAN: You are mindful of the time.

Mr. LLOYD: It was mentioned in the evidence that a stabilizer has been installed on *Provider*, and that the tender for it had been awarded to a Saint John firm, yet the difference in tenders was only $100. Earlier you said that the cost of transporting vessels from one base to another was of importance. Some questions were raised in the brief about the recovery of cost. For what reason was this tender awarded to Saint John in spite of the fact that there was only a difference of $100 between the two tenders?

Mr. RUTLEDGE: I do not recall the other factor, but there was a factor which was left open, that if such and such a thing should happen, there would be extra costs and so on. They introduced a factor in there, and it was this that placed us in the position of not being able to accept their tender with confidence.

Mr. LLOYD: Was it not to do with realignment of a shaft?

Mr. RUTLEDGE: Yes.

Mr. LLOYD: Thank you.

The VICE-CHAIRMAN: Now we are on the Bobcat program.

Mr. WINCH: Yes, may I be permitted to ask a question?

The VICE-CHAIRMAN: Very well, Mr. Winch.

Mr. WINCH: This is basic in principle. May I start at the bottom of page 3, where you say:

> It is difficult to determine precisely all the various factors which resulted in the termination of the 'Bobcat Program'. However, in retrospect it can be said with some certainty that the following were contributing factors.

And then on page 4 they try to deal with the factors, and they reach certain conclusions. Personally, I do not think this is quite good enough for the committee. May we have a greater enlargement on exactly what is meant? Because when the Department of Defence Production goes into something which costs millions of dollars, and after the money is spent, the entire thing is cancelled, it says to this "It is difficult to determine precisely what happened."

The VICE-CHAIRMAN: You will appreciate that you have not got the Department of National Defence here, who were the people who decided to cancel it.

Mr. WINCH: No. I am asking the Department of Defence Production who were responsible for the contractual work. Are we not coming back to the point I raised before that if you are told to do something, then you have to proceed with it and let contracts, whether it be right or wrong. Is that correct?

Mr. ERSKINE: I think the point is that when we say it is difficult to determine, this was a design and research contract, and for the first phase of the contract the design responsibility rested with the Canadian army. Now we are not in a position to assess all the various factors that entered into the decisions made by the design team in the factories of the contractors that affected it(the design). I think it is a fair statement to say that it is difficult to determine precisely and to know in a general way many of the things that are now quite obvious and which led to the failure of this particular program. Design responsibility, when it is mixed up with quantity production, has always led to difficulty over many years. In the initial phase of the Bobcat, we were told to translate the design responsibility and place it with a contractor. We did so, and we got some results. Unfortunately, they were not too satisfactory, but it enabled a conclusion to be reached in a reasonable period of time.

Mr. WINCH: Perhaps I might put it this way, in view of the fact that we now have presented to us this brochure or summary of the Bobcat Program, we find on page 4 two important items: In the first three paragraphs we have set forth by the Department of Defence Production a definite statement, that the full scope of development projects should be determined early in the program and adequate financing provided. And then we have a conclusion. May I ask

whether or not a conclusion of the Department of Defence Production on the experience of the Bobcat was conveyed officially to the Department of National Defence?

Mr. HUNTER: If I might answer your question, Mr. Winch, when you say that these were conclusions of the Department of Defence Production, actually they were joint conclusions of the Department of National Defence with ourselves. We pointed out what we felt were the reasons for cancellation with our conclusions, and we passed them on to national defence and asked them for any comment. They made several comments, so I can say that these are joint conclusions reached by our two departments. I think there are a couple of important words at the bottom of page 4 where we say in the second last line —in retrospect—that while these are things which have happened, we would not let them happen again.

Mr. WINCH: I have one logical question arising from your answer; in view of this being a joint conclusion of your department along with national defence, are these conclusions being followed through, let us say, in connection with the hydrofoil project at Halifax which you have now undertaken?

Mr. HUNTER: I can say very definitely that we and the Department of National Defence have learned a lot from this development. I would like to confirm that this has been a lesson to both departments.

Mr. WINCH: May I take it then that, going to the Bobcat now, there was not—I would not say proper—but there was not collaboration with the United States and the United Kingdom. But since the United States is also working on the hydrofoil, you now have the degree of collaboration and co-operation, and that you will not lack that degree of co-operation that you suffered in respect of the Bobcat?

Mr. HUNTER: Our people, along with the Department of National Defence, have very carefully gone over all the developments in associated countries, such as the United States and the United Kingdom, and have assessed our plans and aims. We feel that we are taking full advantages of any experience that they have, while they, in turn, are following our developments. The concept that is being evolved here is one which is different from the United States concept, I understand. I do not know all the details of it, but it was very carefully assessed before we took any steps to go ahead with our plans.

The VICE-CHAIRMAN: The Chair has a question or two, but the Chair will defer to Mr. Lloyd.

Mr. LLOYD: My question is very short; it has to do with design, and the Department of National Defence. I believe the question was asked by Mr. Winch. When designs come to you for procurement procedures, which are followed by your department, do you have any responsibility on the question of designs? Are design instructions matters for your officers and the Department of National Defence?

Mr. HUNTER: In certain areas we have people whom we feel are quite competent to make comments and to argue points with national defence. I am not sure if in the shipbuilding branch we feel that we do this.

Mr. LLOYD: I am more concerned about general equipment and such a program as the Bobcat.

Mr. HUNTER: In the case of the Bobcat I can say that we certainly did not have a large mechanical transport group in 1954. We were dependant on the Department of National Defence who were the design authority. If we had had people who felt that they were competent to argue about the specifications and drawings that we were given when we started, I am sure that we would have used them. But I do not believe we had those people, because of the fact

that national defence were the design authority. I do not believe our records show that we did question them, because they were pretty vague and pretty general.

Mr. WINCH: Did you say that the plans of the Bobcat were vague and general when you got them?

Mr. HUNTER: Let me check on this with Mr. Erskine.

Mr. ERSKINE: I would say that at the beginning you will notice under the initial contract that we received a contract demand from the Canadian army for the development of a field infantry carrier. We went to those firms normally known to produce vehicles, and we asked them for their opinions on whether they would be interested in going ahead with this type of development. A number of them were interested, including the major motor car companies, and we got a list of the engineers that they had on their staff who would be prepared to be put on this work. It was research and development in design, but as I have said this was a concept emanating from the Department of National Defence.

Leyland Motors was actually picked because of the competence of its design staff. We were looking less for production than engineering capabilities in respect of a tracklaying vehicle, and they were the only people who had a staff which had had experience during world war II. That was the reason for the selection.

Mr. LLOYD: Mr. Hunter, would you advise the committee what staff and what organization you think you have today to prevent a repetition of the events which developed around the Bobcat?

Mr. HUNTER: Yes, I would like to say I feel that all branches of our department today, when compared with 1954, are definitely more capable of assessing the type of information of which you speak, than we were in 1954. The experience I mentioned that we have learned from this, plus the increased competence of our staff, I feel, should go a long way towards seeing to it that this type of thing did not happen again. I feel that there is also greater competence and greater awareness in national defence.

Mr. LLOYD: Program scheduling may reveal these slowdowns more readily today than it did in days gone by.

Mr. HUNTER: Exactly.

Mr. FANE: Mr. Lloyd's last question would have been my first one. But do you think that something like this is apt to happen again? My next question is on the Bobcat program, which cost a little over $39 million. Am I correct? This is shown on page 3?

Mr. HUNTER: No, sir.

Mr. FANE: It was nearly $30 million.

Mr. HUNTER: The projected expenditure is included for a production of 500 vehicles, but they cancelled it after only 20 prototype vehicles. The project cost was in the order of $9,249,000 as shown in the brief.

Mr. FANE: Were not some of the difficulties caused perhaps by a change in the company? You dealt with Leyland Motors of Montreal, and then you turned it over to Canadian Car Company. Would this not have increased the cost and the difficulty of getting a comparative prototype made?

Mr. HUNTER: I am not sure. I do not believe it did. Let me ask Mr. Erskine.

Mr. ERSKINE: I would say that it led probably to a delaying factor. But in fact it was the senior design men at Leyland who went out and continued with the work at Hawker-Siddeley; and then in the later stages they had a

very large team that they put to work on it, and they were thus able to accelerate the final phase of it. The costs were rather small until the time when they lost ground.

Mr. FANE: This final concept of the Bobcat was originally to be a personnel carrier. Do I understand that they wished to develop the project in a way whereby they could employ different bodies on the same type of chassis, and that it was difficult to get them into a different phase? I notice there is a self-propelled howitzer and other things, such as personnel characteristics.

Mr. ERSKINE: That is correct.

Mr. FANE: That is one of the developments which made it so difficult, I presume, to develop a satisfactory vehicle.

Mr. ERSKINE: I am not qualified to speak of the technical plan. It undoubtedly led to many complexities, because they were trying to develop a common chassis on which you could have many different types of bodies placed, and which could be used for a multiplicity of purposes.

Mr. FANE: I fail to understand why a satisfactory vehicle of this type could be developed in other countries but not in Canada. Surely to heavens we have available people who could develop something that could be strong enough and satisfactory enough in this country.

Mr. ERSKINE: Actually the vehicle we are buying to replace the Bobcat is one which we believe to be a single purpose vehicle. It is only an armoured personnel carrier, while what we were trying to develop was a multipurpose vehicle. I am sure that if we had had a lot of money at the beginning and a more competent staff we would have come up with a Canadian vehicle, but beyond that I am not prepared to speak.

Mr. FANE: If the concept of a multipurpose vehicle was what you had in mind originally, it would have been produced perhaps notwithstanding the difficulties which you experienced, because this was a family concept basis of one, two, and three, which were more or less afterthoughts.

Mr. ERSKINE: There was a change in the concept from what was originally a single purpose vehicle to try to get a family vehicle, and one on a common chassis.

Mr. FANE: I should have said two and three developments, instead of one, two and three.

Mr. ERSKINE: I think it was an evolution of this family concept idea. It certainly did bring with it many complexities.

Mr. LLOYD: This had nothing to do with the research work designated therein.

The VICE-CHAIRMAN: Could you tell the committee briefly in what particular detail the vehicle proved efficient? You used the words "since its control faults could not be corrected, whether this was in the tracking system, in the motor, or in the suspension, I do not know".

Mr. ERSKINE: I believe Mr. Hunter has a list of the major defects which developed in the final concept.

Mr. HUNTER: This was a question asked by the Chairman.

Mr. ERSKINE: This is the official list provided by the Department of National Defence after the 2,000 mile trial: the shock absorbers were defective, the track and lead wheels came off the rollers; the sprockets, lubrication system, and the suspension were faulty, and there was some difficulty with the roof hatch. These were the major defects, but there were many others.

Mr. WINCH: What worked?

Mr. ERSKINE: I believe the body was excellent.

Mr. WINCH: But the soul was dead!

Could I ask a couple of brief questions? Were the contracts for research and construction of the Bobcat cost plus contracts?

Mr. ERSKINE: The original ones were. The design responsibility was with the army and we did not have the specification as such.

Mr. WINCH: Could you clarify something for the committee because we were given to understand by the press and others that one reason for the collapse was a delay of work, intensification and interest by the contracting companies in proceeding with the job. Could you clarify that and tell us whether it is correct or incorrect?

Mr. ERSKINE: We tried to condense it here. You will find there were many reasons for the delays. A very significant one was lack of funds at all times practically throughout the entire program until we came to the final phase. The fact was that we were overcommitted and overspent so that work was delayed. I do not think the companies deliberately did any delaying of their own. They were very, very keen to go ahead with this because they all had hopes that they might probably participate in some production work at a later date.

Mr. WINCH: My final question is on the Bobcat. You let the contract so you had the greatest responsibility. We heard Mr. Hunter say that at that time you did not have a staff who were able to deal with this type of matter. To whom did the reports from the contracting firm come on their accomplishments, their problems, their progress or lack of it, to your department or to the Department of National Defence?

Mr. ERSKINE: The Department of National Defence had project officers resident in the plant who were the guides and mentors of the firm. They were the ones who told them what they wanted done, and the reports came from the company through the project officers to the development branch in the army.

Mr. WINCH: So the Department of National Defence knew exactly what was going on, and if the money was not available to carry on it was because of something that happened outside your department?

Mr. ERSKINE: We were not responsible for the funding.

The VICE-CHAIRMAN: Are there any more questions?

Thank you, gentlemen, this meeting will stand adjourned.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 22

TUESDAY, NOVEMBER 24, 1964

DEPARTMENT OF DEFENCE PRODUCTION
and on the
Special Paper Respecting
DEFENCE EXPENDITURE AND ITS INFLUENCE
ON THE CANADIAN ECONOMY

WITNESS:

The Honourable Charles M. Drury, Minister of Defence Production.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21566—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—24.

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, November 24, 1964.
(36)

The Special Committee on Defence met at 11:20 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Deachman, Fane, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), MacLean, MacRae, Martineau, McMillan, McNulty, Pilon, Smith and Winch—16.

In attendance: Honourable Charles M. Drury, Minister of Defence Production; Mr. G. W. Hunter, Deputy Minister; and Mr. William Huck, Assistant Deputy Minister.

The Committee proceeded to a consideration of a special paper entitled "Defence Expenditures and its Influence on the Canadian Economy".

Agreed,—That the above mentioned paper be included in the Committee's *Evidence* at a point in advance of the Committee's consideration thereon.

The Minister made a brief explanatory statement; and he was questioned on the contents of the paper under consideration, and on related matters.

The Chairman undertook to secure, if possible, certain information, respecting the costs of the armed forces, for inclusion in the record.

At 1:15 p.m. the Committee adjourned until 11:00 a.m. Thursday, November 26, 1964.

E. W. Innes,
Clerk of the Committee.

21566—1½

EVIDENCE

TUESDAY, November 24, 1964
11.20 a.m.

The CHAIRMAN: We have a quorum, gentlemen, so may we come to order.

I would like first to apologize to the Committee for the delay in starting. There was a committee in here ahead of us which did not finish on time. We have experienced this problem a couple of times recently so I will get in touch with the other Committee Chairmen and ask them to remember that we are scheduled to start at eleven o'clock.

We are dealing this morning with the paper which was prepared and issued to all of us some months ago. There are extra copies here. The paper is entitled "Defence Expenditures and its Influence on the Canadian Economy", and with the concurrence of the committee I would suggest its inclusion, at this point, in the evidence of today.

Agreed.

The paper follows:

DEFENCE EXPENDITURE AND ITS INFLUENCE ON THE CANADIAN ECONOMY

Prepared by Department of Defence Production
(April 1964)

CONTENT

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VI	Possibilities and Problems	13

APPENDICES

Appendix A:—Indexes of Real Domestic Product for Selected Canadian Industry (1949=100) 1939 and 1944

Appendix B:—

Table I:—Canadian Defence Expenditures Against Prime Contracts Placed in Canada for Four Major Industries by Area, Fiscal Year 1960-1961

Table II:—Canadian Defence Expenditures Against Prime Contracts Placed in Canada for Four Major Industries by Area, Fiscal Year 1962-1963

Note: Page numbers appearing in the following brief indicate the original pagination.

Page 1

I INTRODUCTION

There are many conflicting views on the role played by defence spending in the Canadian economy. Much misunderstanding is caused by overstating one or more of the many influences of defence spending at the expense of others. For example, such spending has been variously described as: a beneficial stimulant; the prime mover of research; the major factor underlying industrial growth; the lifeblood of the economy; or even as an uneconomic and ruinous waste of irreplaceable resources. All of these things, and more are now or have at some time or other been true—in a relative, if not in an absolute sense.

To take the "wasteful" argument first, it must be admitted on social grounds that all defence spending is undesirable. But given the world as it is, and if we accept the basic premise that we must be prepared to take our part in defending ourselves against aggression and if, further, we adhere to the Canadian tradition of paying our own way, we must logically accept defence spending as a more or less regrettable necessity for the foreseeable future.

In considering the benefits of defence spending, while it is wrong to consider it as an essential element in economic activity without which we could not exist, there can be no doubt that, in our complex society, these expenditures have many ramifications which go far beyond the initial results of spending the defence budget. The effect of such spending on the economy as a whole cannot be overlooked, and decisions to vary the level, the direction and the timing of such expenditures are not to be taken lightly. For example, defence spending can, to cite but a few of its possibilities, provide an important stimulus to the level of business generally, or in a particular geographical region; reduce unemployment; maintain or advance technical competence; lead to important new inventions and improvements in the non-defence area; stimulate foreign trade, and increase capital investment.

The actual economic effect of defence spending will depend broadly on the general economic climate, the amount of defence money going into the economy, the direction of such spending, and the suddenness with which changes in the direction or the level of such spending occur. With respect to general economic climate, defence spending may, within limits, expand an under-utilized or stag-

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nant situation, sustain a declining one, or do considerable harm if suddenly forced on top of a fully expanded economy. Canada has had some experience with these variations. What happened during World War II and the Korean War demonstrates two quite different results.

This paper proposes only a describe in general terms some of the influences that defence spending has exerted on the Canadian economy in the recent past; to indicate its effect on some of our major industries; and to point to a few grave problems with which defence spending is inseparably linked. Certain conclusions will be drawn, but are only offered with the important reservation that no absolutely final, definitive judgments can be made in this area, where so much is subject to great and unforeseeable change.

II INFLUENCE ON THE GENERAL LEVEL OF BUSINESS

Consideration of the influence of defence expenditures on the general level of business is best approached by looking at what occurred during four time periods. These are 1939 to 1945, 1946 to 1949, 1950 to 1954 and the years 1955 to date. In the first period, the tremendous volume of spending, reaching more than a third of gross national product in 1944, was associated with world war II. Spending raised business activity from levels of under-employment to a

place where resources were in very short supply and prepared the ground for much of the post-war period of expansion and inflation. In the second period expenditures were of relatively little importance and the economy stood at high levels based on civilian demand. In the third period expenditures associated with the Korean War and the defence build-up were superimposed on an economy operating at a high level. They combined with other expansionary forces to create strong inflationary tendencies and to complicate Canada's balance of payments problems. In the years since 1955, although defence expenditures have been declining generally they often added an element of buoyancy in a situation where the general rate of economic growth was slower than in the earlier years.

1939-1945—In September 1939, Canada was still suffering from the great depression of the 1930's. Unemployment was estimated at no less than 11.4 per cent of the labour force. Gross national product stood at about 5.6 billion and there is evidence that considerable excess plant capacity existed. The problem was to mobilize these under-employed resources and set them to work to satisfy

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military as well as mounting civilian demands. In spite of the rapid increase in defence expenditure, it was not until late 1941 that the slack was taken up, and serious competition appeared between the needs of the armed forces and the demands of the civilian sector.

A new phase of the war economy began in 1942. By that time resources were fully employed and further increases in output for war purposes meant diverting resources for civilian needs. In 1944, government expenditures reached $5 billion, about 42 per cent of the nation's output, as contrasted with about 12 per cent in 1939. Civilian employment outside agriculture was up by about 600 thousand over 1939, while there were 780 thousand in the armed services compared with only nine thousand at the outbreak of war. Inflation was controlled mainly by diverting resources from business investment and by encouraging huge savings by consumers, as well as by direct price control.

1946-1949—While government expenditure was reduced sharply as the war drew to a close, accumulated civilian demand, both domestic and foreign, began to exert a strong influence. Gross national product in 1945, at $11.8 billion, was down only slightly from that of 1944. Between 1946 and 1959, defence expenditures remained small. At the low point reached in 1947 they amounted to about $200 million, a mere 1.7 per cent of gross national product.

Accumulated savings and the enormous pent-up demand, coupled with the needs of overseas countries whose industries had been destroyed by wartime operations, continued to carry the Canadian economy along at a high level. The period was one of heavy investment in plant and equipment and extensive use of credit. Demand far outstripped supply, putting strong upward pressure on Canadian prices. Hundreds of thousands of ex-servicemen were reintegrated into civilian life with unexpected ease. By 1949, with supply catching up to demand, gross national product had reached $16.3 billion and unemployment stood at 2.8 per cent of the labour force.

1950-1954—When the Korean war broke out in 1950, the situation was in marked contrast to 1939 as very little slack existed in the economy system. Accordingly, the effort to re-equip for defence purposes, which by 1953 still accounted for only 7.6 per cent of gross national product placed severe strains on the economy. Prices began to rise almost with the outbreak of the war. The federal government again had to introduce measures to divert scare resources

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to defence. Although the situation was stabilized sufficiently by 1952 to allow many controls to be relaxed, heavy demand continued throughout this period. This related to direct defence expenditures, business investment in plant, much

of which was for defence purposes, and continued high levels of domestic consumption and exports.

The close of the Korean war, and the consequent reduction in defence expenditures both here and abroad, was associated with one of the few periods of economic decline in the North American economy since 1939. The year 1954 was one of mild contraction in Canada. Gross national product, having reached $25 billion in 1953, dropped slightly to $24.87 billion the following year. Defence spending shaded off to 6.9 per cent of gross national product. Unemployment rose to 4.3 per cent of the labour force reflecting the general decline in business conditions.

1955-1963—In the period, spending on defence contributed decreasingly to the upward movement of business activity. Between 1955-1963 defence fell gradually from 6.5 per cent to 4.2 per cent of gross national product. In the years immediately following the 1954 recession the Canadian economy moved ahead rapidly largely as a result of the impetus provided by large scale business and government investment in capital assets. High personal incomes and a heavy backlog of housing needs initiated a high level of residential construction. In the latter years of the decade the rate of growth slowed somewhat in keeping with reduced activity in North America. In these latter years defence spending probably contributed an element of buoyancy in a situation of easing economic activity.

In summarizing the effect of defence spending on the general level of business in Canada in the past 25 years, it is difficult to avoid the conclusion that such spending has not only been occasionally of overwhelming importance, as in periods of actual warfare, but also has practically always been of some importance at other times in either preventing or cushioning the effect of a decline or inducing a mild increase in business activity. The only period when little impact was registered, the immediate postwar era, was one characterized by a quite extraordinary combination of circumstances wherein war-created shortages at home and abroad were associated with great purchasing power in the hands of consumers, and a war-swollen capacity to produce on the part of manufacturers.

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III DEFENCE SPENDING AND INDUSTRY

From the standpoint of industrial development, world war II was probably one of the most important periods in Canadian history. It was during the war years that this country emerged from its traditional position as a supplier of basic materials to become an industrialized state. The record of what was accomplished is impressive. Existing industry was converted and expanded, and many new industries were established. In a remarkably short time, Canada produced a large volume of complex war goods while at the same time sharply increasing the already large output of basic materials. The following quotation graphically depicts the extent of the war production effort:

> "From the automotive plants came over 700,000 mechanical transport vehicles and more than 50,000 armoured fighting vehicles; field, anti-aircraft and naval guns were produced to the number of more than 40,000; more than 1,700,000 small arms were manufactured; ammunitions, chemicals and explosives were produced in astronomical figures. From shipyards came escort ships, minesweepers, landing craft and cargo vessels; from aircraft factories combat, patrol and trainer aircraft. Instruments and signals equipment were produced having a value of $551,000,000. The output of steel, coal, lumber, metals and basic materials was substantially increased, the output of aluminum became greater than the peacetime production of the entire world. From the

general manufacturing industry came $1,558,000,000 worth of food and furnishings for military establishments and personal equipment for the services."[1]

Something of the extent of this industrial growth is illustrated by the data in Appendix A—*Indexes of Real Domestic Product for Selected Canadian Industries.* In this Appendix the Indexes are based on 1949=100. It will be noted that total gross domestic product increased from 60.2 in 1939 to 103.0 in 1944, the peak year of output. The increase occured largely in the manufacturing sector, and within that again, mainly in the durable goods industries. Some of these increases are quite remarkable. For example, the output of

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iron and steel products trebled, as did that of electrical apparatus and supplies (including electronics). The output of the transportation equipment industry, (including aircraft and ship-building) increased no less than six-fold.

Again defence expenditures influenced industrial growth during the 1950's and 1960's. Following the heightening tension in Europe and the start of the Korean War it became apparent that a defence preparedness program would be needed. Apart from the direct impact of defence orders for equipment and services the Canadian Government gave assistance to defences and defence supporting industries in order to build up productive capacity.

Among the programs employed were capital assistance and accelerated depreciation. Standby Crown-owned defence assets were procured and have been maintained and premiums allowed to secure Canadian produced goods. In the 1960's, following major decisions to participate with allies in production and development sharing programs considerable efforts were directed to establishing sources of component parts, competitive production capacity and to encourage research development.

Among the large Canadian manufacturing industries, aircraft, shipbuilding, and electronics have continued to be affected substantially by defence spending. The effect of such spending on the aircraft and shipbuilding industries is examined hereunder by an analysis of size, employment, and value of output as a function of annual expenditures against prime contracts for defence purposes. The electronics industry is discussed in more general terms.

Aircraft and Parts

The Canadian aircraft and parts industry, having reached a considerable size in World War II, declined in the immediate postwar era, but experienced a revival as a result of the Korean War and the general defence build-up in the 1950's. A high proportion of the industry's business represents defence. In 1950 the industry comprised 15 establishments, employing about 10,500. Factory shipments amounted to about $55 million.

By 1955, this industry had more than trebled in size. It then embraced 52 establishments with 33,000 employees engaged in turning out nearly $354 million worth of goods and services. In that year, expenditures on prime contracts under the aircraft programme amounted to no less than $448 million.

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For more recent years, the equivalent statistics for shipments are at roughly comparable levels. During 1961 and 1962, for example, annual shipments amounted to about $304 million and $352 million respectively. Defence spending under the aircraft programme in the same two years amounted to $231 million and $244 million, emphasizing the strong reliance of this industry on defence procurement. Aside from some commercial repair work, the produc-

[1] Page 7, Volume I, Kennedy, J. de N; *History of the Department of Munitions and Supply Canada in the Second World War.*

tion of reciprocating engines, and the construction of a few types of light aircraft, the industry is very closely tied to defence sales, both domestic and foreign.

It should be emphasized in connection with this industry that a considerable proportion of the defence work done has been for foreign sources, especially the United States. Sales of equipment in that market, stimulated in recent years by Defence Production Sharing arrangements, have given support to the industry despite reduced levels of Canadian procurement.

Shipbuilding

In the shipbuilding industry, defence spending has represented a somewhat smaller percentage of total business, for two reasons. First, the major firms in the industry often produce a range of products for sale to a more diversified market than is the case for aircraft and parts manufacturers. Secondly, although non-defence work has been relatively hard to get the industry has still managed to acquire some volume of new non-defence construction as well as commercial repair work.

Nevertheless, defence spending has been of great importance to the industry. Factory shipments by 79 establishments employing over 22,500 workers amounted to approximately $183 million in 1953. Defence spending in the same year was valued at about $99 million. In 1955, 70 establishments with 16,800 employees shipped $134 million worth of goods. Defence outlays for the year were $87 million. In 1961, shipments stood at $137 million from 63 establishments employing some 14,800 persons. Defence payments amounted to $52 million.

Electronics

Some material available allows a more general discussion of the electronics industry and its relationship to defence expenditures not possible with shipbuilding and aircraft and parts industries. The industry illustrates many of the problems associated with a highly specialized manufacturing industry in Canada and the influence exercised by defence expenditures.

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Broadly speaking the electronics industry in Canada is dominated by a number of large firms, in the main foreign owned, established basically to manufacture foreign designed and developed products for the Canadian market. The Canadian industry imports parts and equipments where demand is not sufficient to warrant production in this country at a price that will encourage purchasing by plants located in Canada. Plants located in Canada usually engage in less research and development work than associated companies in the heavily industrialized nations of the parent companies. The parent firms supply technical back-up activities to Canadian subsidiaries.

Canadian located manufacturers draw a very high portion of their business from the Canadian market and sometimes find it difficult to make much headway in the export field. This is probably a result of several factors including relatively high unit costs for short production runs, lack of unique products and sometimes of controls imposed by foreign associates. It is also because many companies have never geared for an appreciable export sales effort.

Demand for defence products has encouraged expansion of facilities and output. In some cases military requirements provided a basic demand on top of which profitable commercial sales could be developed. In other instances facilities have been established to produce components and parts for use in equipment, thereby widening the technical ability of the industry. The industry has shown a truly remarkable rate of growth since 1939, increasing by eighteen times. While a great deal of the demand came from non military sources,

defence has been and still is a very important influence. In recent years estimates suggested that defence absorbed about 20 to 25 per cent of Canadian supply while during the Korean War and World War II the evidence indicated a much higher proportion. Only in the 1946-1949 period has military demand been inconsiderable.

But it is not only in the important quantities of goods and services taken off the market that defence has contributed to growth. In addition it has supplied a vigorous drive to provide the most up-to-date equipment that ingenuity can devise. Abroad a considerable portion of research in the electronics field is financed by defence. The same is true in Canada. Defence-orientated research has been instrumental in providing companies in this country with a number of specialized items of production and sale.

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Finally, in the 1960's integration of Canadian and American efforts for defence of North America and the concomitant Defence Production Sharing program for economic co-operation have given the industry access to a very large U.S. market for defence goods. This in itself can provide the industry with some incentives for improvement of production capabilities, design and development capacity, and other aspects necessary to better its chances to trade abroad.

THE REGIONAL INFLUENCE OF DEFENCE SPENDING

Until recently, no material was available that permitted even a rough appraisal of the influence of defence procurement spending on particular Canadian regions. It has, of course, always been possible to isolate specific communities whose economic life centered around a military installation or a defence plant, and indicate some of the effects that a change in spending would have on the installation or the area. However, nothing was available that allowed any type of measurement on a broader basis.

Recently, however, data on expenditures against Canadian prime contracts, placed in Canada for procurement of goods and services, have been tabulated for four major industries. These are aircraft and parts; electronics; shipbuilding and instruments.

Even so, we do not have a complete picture. The material is restricted to Canadian prime contracts only: it takes no account of subsequent transfers of business between areas by sub-contracting for materials and parts; and it fails to allow for expenditures against goods and services bought from other industries. Within these limits, however, the data provide quantitative indications of the extent to which some economic areas benefit from Canadian defence expenditures in these four industries. Appendix "B" sets out this data for the fiscal years 1960-61 and 1962-63.

The heavily industrialized complexes of southern Ontario and Greater Montreal account for most of the business received. In 1960-61, of total expenditures for the four major industries of $277 million, the Montreal area obtained nearly $144 million. The province of Quebec received $150 million. Metropolitan Toronto got $74 million worth of this business, with a further $27 million to the rest of the province of Ontario, leaving only about $26 million for the rest

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of Canada. For 1962-63, the total was about $259 million. Shares by area were $117 million for Montreal, an additional $13 million for the remainder of the Province of Quebec, and $62 million and $31 million for Toronto and the rest of the Province of Ontario respectively. The remaining $36 million went to other areas of the country.

While the most highly industrialized areas of Canada perform most of the work on prime defence contracts, such expenditures are also of importance to the Maritimes, British Columbia, and the Winnipeg area. In the case of Winnipeg and British Columbia, the bulk of defence procurement is directed, respectively, to aircraft and shipbuilding. In the Maritimes, expenditures were made in the electronics, aircraft and shipbuilding industries.

V. DEFENCE EXPENDITURES FOR FOREIGN TRADE

Defence expenditures exercise a great influence on Canada's balance of trade and international payments. The dominant factors appears to be our trade with the U.S. and fluctuations therefore depend on U.S. decisions concerning strategy which influences spending in Canada.

Canada has held a favourable balance of payments position in relation to total expenditures on defence over the past five years. Foreign expenditures in Canada on the defence account have amounted to about $2.4 billion against Canadian expenditures abroad of about half as much. U.S. expenditures in Canada amounted to nearly $2.2 billion in contrast to Canadian expenditures in that country of about $0.7 billion. The highly favourable Canadian balance results in the main from U.S. expenditures to provide and maintain continental defence installations and to purchase uranium which the U.S. classifies as a defence requirement. That and continental defence expenditures in Canada by the U.S. account for most of the surplus in Canada's favour.

In contrast, the situation in relation to production of military hardware of the kind needed for modern forces is quite different from that favourable position. Canada normally imports more of such items than are sold abroad. However, under the Canada-United States Defence Production Sharing program U.S. procurement, which included F104 MAP and Caribou I aircraft, gave a small advantage to this country during the 1959 to 1963 period. If these orders were disregarded exports would stand perhaps $150 million lower revealing Canada's more normal position as a net importer of weapon systems.

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To review the background of current developments, three times since the outbreak of World War II defence expenditures have exercised an influence on our foreign trade great enough to warrant extraordinary government action. In 1939, the traditional trading pattern for Canada was to use her current account surpluses with Britain and other countries to finance her deficits with the U.S.A. World War II reduced supplies of convertible currencies from traditional markets while increasing imports from the United States. To finance these increases, comprising largely defence goods or plant intended for defence purposes, a variety of measures were taken, including the Hyde Park agreement of 1941. That arrangement provided for the sale of specialized war material by Canada to the U.S.A. to provide financing for Canadian imports.

In 1950 and 1951, Canada incurred substantial deficits on current account, due in large measure to investment demands, at least some of which originated with defence expenditures. The defence requirements of the Korean War were superimposed on the Canadian economy, then operating at close to capacity. This exerted inflationary pressures, and greatly increased imports. International buying took place on a large scale, in anticipation of shortages and price increases. The government had to act to control imports and to channel resources to essential industries.

Since then, the concepts of continental defence, weapons standardization and development and production sharing have accelerated the adoption by Canada of United States-type equipment. The complex nature of modern

weapons systems, their every high cost, rapid obsolescence, and the cost of carrying out of their research, development and production processes, have resulted, within the last few years, in increasing Canadian reliance on U.S. sources for research and development, and often the production of most major equipment. If the Canadian requirement was too small or too immediate to permit economic production in Canada, the equipment had to be purchased directly from the U.S.A. Where production in Canada was feasible, the cost of royalties and technical assistance as well as of components still meant an outflow of Canadian defence money to the U.S.A.

This trend meant that an increasing proportion of the Canadian defence dollar would go to U.S. industry. To offset such dependence on United States developed equipment, the Canada-United States defence production sharing program was initiated in 1959. This arrangement, while restricted to defence

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equipment, provided a significant degree of access for Canadian firms to the world's largest single market for highly-engineered goods.

In 1963, $142 million worth of U.S.A. defence production sharing business was placed with Canadian industry. Total purchases by the U.S.A. in Canada in this category during the first 5 full years of the programme amounted to $748 million. Against this, Canadian defence production sharing business placed in the U.S.A. amounted to $152 million in 1963, bringing the total for the 5 years to $678 million. The cumulative 5 year balance of such business between Canada and the U.S.A. was, accordingly, $70 million in Canada's favour. The long-term aim of the two countries, and one which is important to both, is to maintain a rough balance at increasing levels in their trade in defence production sharing items.

Generally speaking, sales of Canadian defence equipment abroad help to keep down the cost of the limited requirements of the Canadian Armed Forces; stimulate research and development in secondary industry; contribute to the standardization of military equipment among allied countries; and benefit the Canadian economy through their effect on such things as employment, the technological capability of industry, and our balance of payments. The success of the defence production sharing arrangement with the United States has led to recognition of the desirability of establishing comparable non-conflicting arrangements, of rather more limited scope, with other NATO countries.

The ability of Canadian industry to compete effectively with foreign industry for defence production business is, in the long run, dependent upon its ability to develop equipment and components that have the potential to meet some future military requirement, and to be able to produce items of required quality within necessary time limits at a competitive price. This means that Canadian manufacturers must be competitive with United States and other manufacturers of comparable products.

The Government has had to institute action to assist Canadian industry to become competitive. This action has taken many forms, among the most important of which, although small in money terms, is aid to industry to develop items that have some defence potential, to establish qualified sources for the production of components and equipment and to modernize Canadian defence industry.

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The benefits of this assistance are not limited to defence production. The resulting technological advances in the complex production operations of highly sophisticated weapons systems spread readily into other areas of Canadian production. The economy as a whole is made stronger and better able to make its way in world markets.

Several major problems are faced by Canada in attempting to reach export markets for manufactured goods. Two show up clearly in the defence industry field. The first is the effect of foreign ownership or control of much of this country's manufacturing industry. In the main foreign owned operations in Canadian secondary manufacturing were intended to produce for the Canadian market or to take advantage of British preferential tariff rates. This has resulted sometimes in a tendency to exclude Canadian plants from foreign markets or to inhibit Canadian development of unique products suitable for sale abroad. However, the Defence Production and Development Sharing Programs have been bringing about relaxations in these restrictions. Canadian subsidiaries are taking an increasing part in exports and in development for defence.

Secondly, some Canadian owned and controlled companies, never having developed extensive export programmes, appear unwilling to act aggressively in seeking foreign defence business. Provision of favourable circumstances for exporting can be done at the government level but individuals and firms must act to expand trade.

VI. POSSIBILITIES AND PROBLEMS

So much is background. It is part of the story of what defence expenditures have contributed to Canadian economic growth and development. The question that now has to be asked is how changing levels of spending may influence the future. The answer to this depends on what the future holds in the way of changes in the level of spending and on the direction in which expenditures are channelled. Will disturbed international conditions make a large increase in spending necessary or will a continued period of relative stability permit further reductions? What decisions on defence policy will be taken by the Government thereby affecting the way in which available funds are spent and influencing the business done by plants, industries and areas of the country?

Inasmuch as we cannot know what the future holds the best that can be offered here is to suggest the results of two or three possible courses of action. These must be based on assumptions as to spending levels and possible decisions

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as to the direction spending may take. To do this, rather extreme positions have to be assumed, making the discussion perhaps a trifle academic. Nevertheless this approach has the advantage of sharply emphasizing problems inherent to some degree in less extreme situations that have characteristics similar to those stated.

First of all is it possible to visualize a sharp reduction in total funds available for defence? Such an action combined with the fact that major weapon systems are costly leads to the decision that they cannot be conceived, designed, developed and produced in Canada but must be purchased abroad. Purchases abroad could, under defence production sharing arrangements, be offset by foreign procurement in Canada composed largely of sales of components or of less sophisticated items.

This approach has serious implications for the technical development competence of Canadian manufacturers. Even though purchases of major systems abroad are balanced by equivalent dollar-value business in Canada the effect is not the same. The difference lies in the demands placed on the technical knowledge of manufacturing companies. A major new weapon system conceived, designed, developed and produced places the ultimate in demands for ingenuity on prime contractors and supporting firms. It is this struggle for new and better products that keeps industry in the front rank of technical knowledge.

If most major systems are bought abroad there is a good chance that subcontracting against foreign systems will not be enough to maintain competence. Foreign prime contractors have their own supporting firms to which they generally turn during the conceptual phase of weapon building for assistance in

designing and developing components. Canadian subcontractors will not likely be included during the conceptual phase and may well miss some part of the development phases as well. This is a serious disadvantage to producers and must inevitably lead to a gradual decline in technical knowledge and a lessening in ability to compete for contracts.

The second major possibility is a considerable expansion of its defence effort leading to the design, development and production of some major weapon systems in this country. The result would likely be a heavy emphasis by Canadian industry on technological improvement. Here the problems are largely costs and the difficulty of making sales to foreign countries. Because major systems are extremely costly, making quantity sales of production models to major industrial nations is very difficult. The hundreds of millions and often billions of dollars of business is much sought after and government are under

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extreme pressure not to place such contracts abroad but to adopt comparable domestic designs.

The third possibility lies between the extremes stated above. Clearly it would be desirable to find a course of action that would permit, indeed encourage, expansion of technical skills while at the same time making it feasible to take advantage of the economies offered by procuring many major weapons abroad. Present defence development sharing policies designed to encourage participation by Canadian companies in the research and development of U.S. defence projects are a step in this direction. Even so, there are at least two problems here. One is the degree to which doors can be opened sufficiently early to assure Canadian participation in the conceptual phases of U.S. major projects. Unless access to the conceptual phases of weapon development is possible Canadian firms will be handicapped. A few minutes thought will indicate how immensely complicated providing such access becomes and how it implies increasing integration of Canadian and U.S. business and armed forces.

The second problem concerns the extent of specialization of Canadian industry. Canadian industry has never been able to compete abroad in all areas of economic activity. In specialized fields Canadian industry has done well and the probabilities are that if specialized areas of defence business could be developed to the point where this country were an acknowledge world leader, markets could be found abroad for its production.

Because participation by Canadian industry in foreign defence production programs does not itself assure maintenance of a high technological level it needs to be supplemented wherever possible by creation of joint defence research, development and production programs with other countries to meet mutual military requirements. Establishment of such programs on a bilateral basis can lead to trilateral or multilateral programs where other allied countries have similar military requirements. The current joint UK/Canada plan for development and production of the CL89 Surveillance Drone, to meet British and Canadian military requirements may serve as an example of the type of joint program visualized. As in any such solution, there are major obstacles to

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the development of this concept, chief of which are considerations of national prestige and the extent of the respective military requirements for the equipment involved.

In general, it can be said that unilateral national development of major weapon systems amongst the western countries is rapidly giving way to the concept of collaboration among allies in defence research, development and production in the interests of conservation of the respective national resources in money, manpower and technological capabilities. In this general direction, with all its inherent difficulties, appears to lie the best hope for strengthening scientific and technological capability within Canada's engineering industry.

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APPENDIX "A"

INDEXES OF REAL DOMESTIC PRODUCT FOR SELECTED CANADIAN INDUSTRIES

1939 and 1944

(1949 = 100)

	1939	1944
Gross Domestic Product	60.2	103.0
Manufacturing	48.7	106.1
Durable Manufacturing	42.7	128.3
Wood Products	54.0	76.1
Iron & Steel Products	39.1	118.4
Transportation Equipment	37.7	235.7
Non-ferrous Metal Products	58.4	130.9
Electrical Apparatus & Supplies	28.4	85.5

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APPENDIX "B"

TABLE I

CANADIAN DEFENCE EXPENDITURES AGAINST PRIME CONTRACTS PLACED IN CANADA FOR FOUR MAJOR INDUSTRIES BY AREA, FISCAL YEAR 1960-61

INDUSTRY

Area	Electronics	Aircraft	Instruments	Shipbuilding	Total
	$000	$000	$000	$000	$000
Maritimes	2,933	5,595	—	4,935	13,462
Montreal	27,074	101,081	8,695	6,928	143,778
Other Quebec	182	1,793	—	4,066	6,041
Total Quebec	27,257	102,874	8,695	10,994	149,819
Toronto	13,375	57,186	3,642	1	74,204
Niagara	6,957	779	—	—	7,736
Other Ontario	12,024	1,055	6,840	49	19,970
Total Ontario	32,356	59,021	10,482	50	101,909
Winnipeg	—	3,621	—	—	3,621
Other Manitoba	—	—	—	—	—
Total Manitoba	—	3,621	—	—	3,621
Saskatchewan	—	—	—	—	—
Alberta	—	3,016	5	—	3,021
Vancouver	18	343	—	5,119	5,481
Other B.C	—	—	—	—	—
Total B.C	18	343	—	5,119	5,481
Total Canada	62,564	174,470	19,182	21,098	277,313

Figures do not balance exactly because of adjustments caused by rounding.

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APPENDIX "B"

TABLE II

CANADIAN DEFENCE EXPENDITURES AGAINST PRIME CONTRACTS PLACED IN CANADA FOR FOUR MAJOR INDUSTRIES BY AREA, FISCAL YEAR 1962-63

INDUSTRY

Area	Electronics	Aircraft	Instruments	Shipbuilding	Total
	$000	$000	$000	$000	$000
Maritimes	2,460	5,777	—	6,674	14,912
Montreal	22,052	75,128	10,148	9,563	116,890
Other Quebec	267	1,005	—	12,055	13,328
Total Quebec	22,319	76,133	10,148	21,618	130,218
Toronto	18,022	36,277	7,469	—	61,768
Niagara	7,802	1,184	1	—	8,987
Other Ontario	14,996	3,238	6,124	58	24,415
Total Ontario	40,821	40,699	13,594	58	95,172
Winnipeg	—	4,615	8	—	4,623
Other Manitoba	—	—	—	—	—
Total Manitoba	—	4,615	8	—	4,623
Saskatchewan	—	—	—	—	—
Alberta	—	2,637	—	—	2,637
Vancouver	6	204	—	5,069	5,279
Other B.C.	—	—	—	6,408	6,408
Total B.C.	6	204	—	11,476	11,686
Total Canada	65,606	130,065	23,750	39,826	259,247

Figures do not balance exactly because of adjustments caused by rounding.

The CHAIRMAN: We have with us Mr. Drury, the Minister of Defence Production, Mr. Hunter, the Deputy Minister, and Mr. William Huck, the Assistant Deputy Minister. I believe Mr. Drury has a few remarks that he would like to make at the beginning and then we will proceed to the questioning.

Hon. C. M. DRURY (*Minister, Department of Defence Production*): My remarks will be very few, Mr. Chairman.

The paper which was circulated some considerable time ago to the Committee is manifestly a scholarly work. It does attempt to examine in a broad and general way the impact of defence spending on the economy of Canada, and it deals with this in four quite different time periods, which are also quite different phases of economic activity with, as a consequence, quite differing impacts.

The paper, then, examines in a general way some of the possible future impacts of defence spending on the economy without reaching any specific recommendations or suggestions as to directions which might be taken. In this case, it is analytical rather than a statement of either past policy or future policy.

I would like to draw to the attention of the committee the fact that at the time this paper was issued some fair amount of attention was manifested by the press in what is essentially a superficial analysis of the regional impact. I would like to emphasize again to members of the committee that the statements made and the figures given are related to only four categories of spending out of a total number of categories in which the department is interested, although these are the major categories of defence expenditure comprising more than half of the total amount of defence production spending, but perhaps more importantly that the addresses of the contractors are the head office addresses and, secondly, that these relate only to prime contracts not to subcontracts. I would ask the members of the committee to bear in mind that in a number of instances the location or address given of the prime contractor does not in itself necessarily reflect where the actual work is carried out.

This is particularly true, of course, in the case of oil companies. The economic impact of an oil contract bears little relation to the head office address of the oil company, manifestly, and I would emphasize again that these are only in relation to prime contracts, not the location of subcontracts. As the members of the committee I am sure are fully aware, virtually every major prime contract is, to a greater or lesser degree, largely subcontracted.

I am told, by way of example, that when a contract is awarded for a ship to a specific shipyard, clearly the expenditure is related to the address but that only some 40 per cent in round figures of the total value of the contract is spent in the shipyard; the rest is spent elsewhere either directly by the government or by way of subcontract from the shipyard operator.

With these two reservations as to the regional aspect of this paper, I would be delighted to try, with the aid of my officials, to answer any questions that may be in the minds of members of the committee.

The CHAIRMAN: Before we proceed to the questioning I would like to ask the committee members, first of all to try to restrain their questioning to the subject matter of the paper before us. We have dealt with a number of other topics involving the Department of Defence Production and there may be some unanswered questions still outstanding, but if you could hold those questions over for another meeting and limit your questions to the paper I think the meeting will be conducted more expeditiously.

In the questioning I will not restrict anybody in time but I would ask you to remember that there are a number of people who will wish to ask questions and after a certain reasonable amount of time, if you have explored one line of argument, perhaps you can release the floor and let someone else proceed and then later we may be able to come back to you.

Our first questioner will be Mr. Lambert.

Mr. LAMBERT: Mr. Chairman, in order to start this off on a general basis I would like to ask the Minister, not only as Minister of Defence Production but as Minister of Industry, whether he considers it is a valid concept that defence expenditures should be used as an economic tool to stimulate the economy in times of recession, say, or the reaching of a plateau.

Mr. DRURY: I am not sure, Mr. Chairman, whether Mr. Lambert has in mind that the level of defence expenditures should be varied according to the necessity or desirability of an economic stimulus.

Mr. LAMBERT: In part, yes.

Mr. DRURY: I think generally all governments of Canada, successive governments, have taken the line that the level of defence expenditures should be determined by defence needs and not by the state of the economy as needing or not needing stimulus or indirect assistance.

An attempt has been made and continues to be made to relate defence expenditures directly to defence needs, and then it lies with other agencies of government to see that measures are taken in other fields either to counteract the adverse effects or to enhance the lack of economic stimulus. Generally speaking, defence expenditures have not been regarded as a major instrument in economic policy.

Mr. LAMBERT: This is what I wanted to establish as a starting point. In other words you, as the Minister responsible for this department as well as the Department of Industry, do not consider defence spending as an economic tool and that, being based on the defence requirements, those expenditures should go forward for that reason and that reason only? I think from the experience of the past ten years defence expenditures have been relatively constant. There have been some variations in defence expenditure but there have been no great wide variations which would have an economic impact.

I put my question to you because it is often urged that defence spending does give industry a shot in the arm. On the other hand, do you think the same should not apply in times of economic pressure such as the Korean period when an expansion of defence spending certainly provided some of the pressure for an increase in price index and contributed materially to the shortages of certain types of materials and to manpower?

In those circumstances do you say that in a boom period you should lay off defence expenditures in order to relieve some of the pressure?

Mr. DRURY: Unfortunately I do not quite see how one can. The rise or fall in defence expenditures, I suggest, is governed not by the economic condition of Canada but by the necessities of international relations, and unfortunately these do not always coincide—and Korea is a case in point—with our economic desiderata. During the Korean period an emergency did arise which called for substantially increased defence expenditures in Canada, which were clearly contrary and not at all helpful to the stability of our economy.

Mr. LAMBERT: We accept that as a basis or a national premise, but does the same apply regionally—and I am considering the conclusions of the paper and that the impact of defence spending regionally certainly does contribute to quite a stimulus over a recession.

Mr. DRURY: There are two kinds of what you might call defence expenditure. One is the expenditure made directly by the Department of National Defence in terms of pay, allowances, local supplies and so on. This is determined regionally to a large degree by the location and size of defence establishments. One must assume that these are placed—rise or fall in size and in importance—as a consequence to military rather than regional economic considerations. This flows from the earlier premise. That does account for quite a large volume, as members of the committee are well aware, of the total amount of money voted for defence, pay, allowances and feeding.

The other aspect or category, of course, is equipment required by the armed forces. It has been, as is laid out in the act governing the Department of Defence Production, the policy of the department in conformity with the act to acquire for the Department of National Defence its equipment needs, and in equipment I include the whole range of items that we purchase for the Department of National Defence, to acquire these in a way to secure the best possible value for the defence dollar. To this end, the Department of Defence Production has over the years been moving as steadily and as rapidly

as practicable to a system of competitive price bidding under which the item or items will be supplied by the manufacturer or contractor who offers the lowest purchase price consonant with satisfactory delivery and quality.

Mr. WINCH: Mr. Chairman, I am in some difficulty at the moment because of page differentials in my copy of the paper.

Mr. SMITH: Then perhaps Mr. Winch would like to pass until he has them sorted out!

Mr. WINCH: The document on defence expenditure and its influence on the Canadian economy is one that members of our committee have had in their possession for some weeks. I have read it twice. On the basis of my reading there is a question I would like to ask the Minister.

Sir, I am first of all going to refer to the second paragraph under "Influence on the General Level of Business" in which this statement is made:

> 1939-1945—In September 1939, Canada was still suffering from the great depression of the 1930's. Unemployment was estimated at no less than 11.4 per cent of the labour force. Gross national product stood at about 5.6 billion and there is evidence that considerable excess plant capacity existed.

May I now draw attention to the next statement which says:

> The problem was to mobilize these under-employed resources and set them to work to satisfy military as well as mounting civilian demands.

To that may I add the first sentence under "Defence Spending and Industry".

Mr. DRURY: Where are you now, Mr. Winch?

Mr. WINCH: It is No. III.

Mr. DRURY: That is page 5.

Mr. WINCH: It reads as follows:

> From the standpoint of industrial development, world war II was probably one of the most important periods in Canadian history. It was during the war years that this country emerged from its traditional position as a supplier of basic materials to become an industrialized state.

With the utilization of those two quotations I would like to ask the Minister, in relation to defence expenditure and its influence on the Canadian economy, if he will give this committee his opinion or viewpoint on the expenditures on defence. In a wartime economy or a peacetime economy are those expenditures of such a nature that it is not possible economically to make a change without the disruption of the economy of Canada?

Will the Minister, as a responsible minister, state that economy-wise, despite a period of disruption, our economy would not be better if we utilized expenditures for civilian purposes?

Mr. DRURY: Mr. Chairman, if I understand the question correctly Mr. Winch would like me to say yes to what are two apparently conflicting statements. First he would like me to agree that we cannot change things from their present state without serious disruption—

Mr. WINCH: Right.

Mr. DRURY: —if I understood the first part of his question correctly.

Mr. WINCH: That is correct.

Mr. DRURY: And the second statement was that economy-wise we would be much better off to make a change.

Mr. WINCH: Right.

Mr. DRURY: Well, either one of those obviously must be wrong.

Mr. WINCH: What is your position?

Mr. DRURY: I think perhaps I should go back to the point that Mr. Lambert made, namely that defence expenditures are related not to the state of the economy of the country; these are expenditures made necessary by the facts of international relationships and our interdependence with other countries of the world. Of necessity, in the kind of world in which we live today if we wish to continue to participate in world affairs we are committed to a certain participation in joint defence—joint defence in the western world. The type of defence and the level of this defence must of necessity be governed by these international relationships. It is then perhaps idle to examine or try to analyse what might be or what might have been had we pursued, for instance, a policy of isolationism.

If we as a country were to become isolationist then we would be free, theoretically at any rate, to raise or lower, or indeed even abolish our defence expenditures. But it is in a sense an exercise that leads nowhere to try to analyse what would be the consequences of a unilateral abolition of defence expenditures by Canada.

Mr. WINCH: Mr. Chairman, I am very sorry but I think the Minister is trying to lead me down the garden path of evasion. We now have before us a document on defence expenditure and its influence on the Canadian economy, and I am asking a direct question of the Minister. Is the relationship of defence expenditure of such a nature that you would be afraid of tackling the problem if defence expenditure became a part of civilian expenditure? This is the document we now have before us.

Are you saying to us in this committee that defence expenditure is of such a nature that, irrespective of policies of international commitments, we have to maintain this expenditure because of the effect on the Canadian economy if we made any change?

Mr. DRURY: No, I am saying precisely the opposite.

Mr. WINCH: Then will you explain this brief and its maintenance on defence expenditure.

Mr. DRURY: I come back again to the point made by Mr. Lambert that the level and type of defence expenditures are related to the international policies of Canada.

Mr. WINCH: I am sorry, Mr. Drury, perhaps I am putting it incorrectly. This paper is entitled "Defence Expenditure and its Influence on the Canadian Economy". Are you saying we have to maintain the defence expenditure because of its relationship to the economy of Canada and that we would be in serious trouble if there were a change?

Mr. DRURY: No, I am saying precisely the opposite. I am saying that we are not required to maintain defence expenditures in order to support the Canadian economy. I am saying that the level of defence expenditure is determined not by Canadian economic conditions but by our international relationships with the rest of the world. The task of the government is to try in the best possible way to accommodate those necessary defence expenditures to have the most beneficial and, where one can, the least damaging effect on the Canadian economy.

Mr. WINCH: Mr. Chairman, the Minister is one of the smartest men I know in getting away from what anyone is trying to get at.

The CHAIRMAN: I do not think we should suggest in our questioning that the Minister is trying to lead you down the garden path or get away from the point of your questions. I think you should ask the question and—

Mr. WINCH: I am not prepared at all times to accept the answers of the Minister, Mr. Chairman.

Mr. MARTINEAU: Surely the Chairman is not suggesting that when the Minister has given an answer we cannot discuss it further?

The CHAIRMAN: Not at all, but I think it is not open to suggest that a witness is trying to avoid answering or is giving misleading answers.

Mr. MARTINEAU: It is unparliamentary to suggest the Minister has not answered a question. These would be new rules and I am sure the Minister would not want to be bound by them.

Mr. DRURY: On a point of privilege, Mr. Chairman, I think Mr. Winch did suggest that I was being evasive—cleverly evasive. I must admit that I do not like that very much and I do appreciate the intervention of the Chair.

The CHAIRMAN: I believe, Mr. Winch, you are perfectly at liberty to challenge any answer or seek further information or point out any contradictions, but I do not think we should impute motives to the witnesses.

Mr. WINCH: I have said before and I will repeat that we are considering "Defence Expenditure and its Influence on the Canadian Economy". I have read this document twice. I would like to ask the Minister if it is his opinion that defence expenditure must be continued because of its influence on the Canadian economy irrespective of the fact that there may be a hiatus in handling a problem if we reduce our defence expenditure? I do not think I can put it more directly than that. Is that your opinion?

Mr. DRURY: I repeat again, no.

Mr. WINCH: Then why do we have this document and your opinion?

Mr. DRURY: The reason we have the document is that the committee asked for an analysis of the impact of defence expenditure on the Canadian economy. The committee asked for that and the department has produced it.

Mr. WINCH: Then may I just ask a last question on this phase?

Is it your opinion as the responsible minister in the cabinet that a reduction in defence expenditure could not be applied in a period of time to a greater benefit to our Canadian economy?

Mr. DRURY: I think unquestionably that is so. As this paper points out, there are some economic advantages of defence expenditure; there are some economic disadvantages. There are some categories clearly in which, if the expenditures were not made on defence account, could be more usefully made on straight civilian account directed to another purpose. On the other hand, there are some defence expenditures which have a very beneficial effect on the economy as a whole and probably could be more advantageously made through the medium of defence equipment acquisition than any other way.

Reference has been made to the impact of defence expenditures on the economy generally at the time of the Korean crisis. These expenditures were in the global sense disadvantageous because these were additional demands made on an economy which was operating at a high level of capacity, and the additional expenditures tended to force it a bit and produce inflationary pressures, not only pressures but also inflationary results.

Mr. WINCH: May I ask one final question and then I will pass.

May I ask whether or not the decisions on defence expenditure and its influence on the Canadian economy are made on a political basis because of its effect on various constituencies and the numbers employed in defence work, or are they made on a policy basis in connection with what is best for the economy of Canada?

Mr. DRURY: The answer to that is neither of these considerations, Mr. Chairman. I reiterate again that defence expenditures are made on the basis

of defence policy considerations and what are the necessities of defence, not how this is going to benefit the economy or whether it is going to help out one constituency or another.

Mr. WINCH: Has any thought been given to your knowledge of a plan or examination to convert some of the defence expenditures to civilian purposes? Is any study being made of that?

Mr. DRURY: There are a number of studies which have from time to time been made of what might be done should defence expenditures disappear. These have been carried out by some foundations in the United States. Indeed, we have one foundation in Canada which is devoting some thought to this also.

Mr. WINCH: Can these reports be filed with this committee?

Mr. DRURY: I have not got them; they are the property of the foundations rather than the property of the government.

The CHAIRMAN: Mr. Winch, we have a paper prepared by Professor Rosenbluth dealing with this. This is getting into a new area and I would suggest that there are other people who would like to proceed.

Mr. SMITH: I am sure Sir John A. Macdonald would be interested to know what is on page 5 and what the Minister says about war making Canada an industrialized state because, after all, that is what he tried to do by tariff protection.

My questions relate largely to the tables on appendix "B" and appendix "C".

Would it be fair to state that if you want to reduce or change the direction of your defence spending or the emphasis on it that it would be best to do it in a time when there is generally a high level of employment outside the areas of defence production?

Mr. DRURY: I hope, Mr. Chairman, that members of the committee will not regard defence expenditures as a socio-economic tool. I repeat again that defence policy and, as a consequence, defence expenditures—and defence expenditures are merely an implementation of defence policy—are determined by international security and joint security considerations.

Mr. SMITH: I was not implying that—

Mr. DRURY: I am just going to go on. It is quite clear, however, that substantial changes in defence policy—

Mr. SMITH: Which happens from time to time.

Mr. DRURY: —and consequently substantial changes in defence production would be in some instances more easy to accommodate in a period of high economic activity—that is, an adjustment, a change of direction at the same level, would be more easy to accommodate at a period of high level economic activity—than at a period of very low level economic activity. Further, if defence policy were to take a substantial reduction this would be easier to accommodate or to absorb during a period of high level economic activity than during a period of low level economic activity. Conversely, however, if defence policy called for a substantial increase in activity this obviously would be of more use and would be more easy to accomplish during a period of low level economic activity than in the case of Korea when there was already a high level of economic activity.

Mr. SMITH: In defence procurement though there are requirements that are very urgent and requirements that are less urgent, there are requirements that become very urgent and there is a difference of priority for what you need and when you need it. Is that not so?

Mr. DRURY: That is correct.

Mr. SMITH: I think we would be unreasonable to suggest that the department ought not to relate the low priority items to the need for providing jobs. Would that not be a fair statement too?

Mr. DRURY: I suppose there are in a sense very complex factors in determining these priorities, and the superficial look at what are the apparent priorities may be misleading.

It is clear that if the sole purpose of a military expenditure, a capital expenditure, is to improve maintenance costs and there is no other military necessity, if you like, for it than merely the long term reduction of defence maintenance costs, then this would not be a high military priority; it would probably be more an economic than a military priority.

Clearly the desirability of capital expenditures at a time of high level economic activity or in an area where there is a high level of economic activity designed to improve the economic picture over the long run would warrant some question. Where, however, one is dealing with military or security priorities then perhaps these should be governing rather than economic convenience.

Mr. SMITH: You said, Mr. Drury, that appendix "B" ought to be read with some caution because certain parts of it are subject to misinterpretation. I suppose the best measure or the most accurate measure of the influence of defence expenditure on the Canadian economy would be the number of man hours of employment that it provides.

Mr. DRURY: That is one measure of influence.

Mr. SMITH: Is it not one of the better measures?

Mr. DRURY: As this paper endeavours to indicate, there are a number of consequences of significance to Canada arising out of defence contracts. One is the provision of employment. Given the essential task of all governments to create an environment in which there are jobs available for the willing labour force, this is a factor of high importance.

Another one, however, is the effect or the impact on export sales. One of our problems, as I am sure members of the committee are only too well aware, is our difficulty in relation to an adverse balance of payments on current account. This, then, is another significant factor. Another is the assistance or the encouragement which defence contracts can give in raising to a level commensurate with that of other highly industrialized countries—raising and consequently to a higher level than we now enjoy—the quantum as distinct from the quality, the quantum of research and development activity in this country. This is important and the paper does make reference to this.

I am not saying that unemployment or employment is of no significance; I am just saying that there are other factors.

Mr. SMITH: But the man hours measurement is a pretty accurate measurement, even in relation to export, and should be taken into any consideration of the balance of payments on current account.

Mr. DRURY: I would agree with the general proposition.

Mr. SMITH: Would it be such a difficult task to relate the man hours of employment provided by defence expenditures in Canada—

Mr. WINCH: And to tie it in with our economy?

Mr. DRURY: To convert these dollars—the common denominator here—into man hours?

Mr. SMITH: No, not to convert dollars into man hours. I think Mr. Rutledge would agree, however, that most shipyards have a fairly accurate measurement of the number of man hours that are applied at a shipyard. Would it be such a problem to relate the defence expenditures to the man hours of jobs provided?

Mr. DRURY: That is converting the dollars.

Mr. SMITH: Part of the dollars. There are profits and other items.

Mr. DRURY: Yes, I think this could be done. Would this be very important? I ask this because there are two ways of doing it. There are a number of general indices that have been worked out which will give you rough general conversions. The only thing we know for sure is dollars. We maintain no statistics in respect of man hours.

One has either to engage in an analysis, which would be a difficult task even for the computers and which would require the recasting of all our statistics in terms of man hours instead of dollars—and it would be a very large job indeed, I can assure you—or one has to make use of some rules of thumb. The kind of thing I have in mind is that to support one scientist on an annual basis who will turn in, one assumes, roughly eight hours a day for 300 days a year, 2,400 man hours, for a sum of $30,000—

Mr. SMITH: I am not thinking of that. In your total that provides a fairly small proportion to shipbuilding, aircraft construction and electronics. You have indicated to us that we could easily misinterpret the figures that are in the Montreal area and the Quebec area. I presume in Quebec there is quite a lot of shipbuilding, and a considerable amount of the shipbuilding that was built in Quebec was subcontracted out of Quebec. For example, I believe the boilers for the *Provider* were made in St. Catharines. I am not sure about that but I do know they have provided a lot of boilers.

In aircraft and in shipbuilding a great deal of the equipment that goes into the ships comes from outside Canada altogether.

I do not know, but I am not completely in agreement that it would be in the main areas such a horrendous or difficult task to relate defence expenditures to man hours of employment because I am not so concerned about the $15,000 scientist who does one job. However, I think it might be important for the department to know where the jobs are going and how many jobs there are or how many man hours work there are related to these things because then, if they are making shifts or reductions, they would know more closely and more accurately where the effect or impact was. It is not a matter of the impact on the executive, it is the impact on the hourly rated employees. I think I am accurate in saying that, for instance, a shipyard could give you very close figures of how many man hours are applied at the shipyard on any particular vessel.

It seems to me that that type of information would be very useful. Maybe your department knows this and maybe it is only we who do not know it, but if they do not have it it would seem to me to be a very useful part of the analysis of the impact of defence expenditure. I am not speaking of the esoteric regions of research but of the fellow who has no job security and who has to go out and get another hourly rated job somewhere.

Mr. DRURY: As this paper indicates, figures have been given only for prime contracts. The fact of the matter is that we have not yet been able to assemble an analysis of the dollar—let alone the man hour—distribution of subcontracts. This is a big statistical job. In some areas, as Mr. Rutledge indicated the other day, we have this with a fair degree of precision. In shipbuilding this is known. I am not sure whether the figures were given or not.

Mr. J. C. RUTLEDGE (*Director, Shipbuilding Branch, Department of Defence Production*): They were not given specifically.

Mr. DRURY: I understand they were not specifically given for subcontracting in respect to shipbuilding. Well, the shipbuilding branch has this information.

The electronics branch, which comprises very substantial expenditures with literally hundreds of firms involved, has not had a statistical follow-up

or follow-through of subscontracts in terms of tabulating them all. It is a big job and something we have not done in the past.

Mr. SMITH: I have one final question—perhaps it is not a question, perhaps it is a statement.

I am quite sure that everyone who bids on government work, either competitively or by proposal for non-competitive work, makes a very close and accurate estimate of their labour costs and the man hours of work that it will take before they make their proposition or their bid to your department. I am quite sure they have a very close estimate. I have talked to two or three people who have prepared tenders in the shipbuilding industry and they know; they have even gone to the extent of making sure that their union contract runs through the term of the proposal they are making to the department.

Would it be so very difficult to have contractors indicate with their bids or at the time the contract is made how many man hours will be entailed and where those man hours are likely to be applied, or in what locality they are likely to be applied? Would that be an impossible requirement?

Mr. DRURY: This is the way generally, as you point out, the shipbuilding people estimate their costs. They estimate on man hours times the labour rate. That is how the aircraft people estimate their repair and overhaul costs.

I come back again to the electronics industry. They do not do it on a man hour basis but on figures of dollar cost, principally dollar cost of components. Man hours do not figure in the electronics business.

Mr. SMITH: They do figure but they are not provided?

Mr. DRURY: Well, I suppose in the final analysis if you get down to the man who is manufacturing the most elemental of the components he has to compute some relation of product to man hours. But this industry, by and large, tends to think in terms of dollars in cost of components. What you are suggesting would create quite a change and would be quite a problem.

Mr. SMITH: It might mean a little embarrassment in some instances.

Mr. DRURY: Well, if you award a contract for the production, for example, of a radar set to a major electronics company I would feel that in a number of instances the subcontracting would go down through five levels before you finally get to the man who is manufacturing a resistor; that is the elemental resistor. All the way up those four above him are unaware of and pay no attention to the quantum of man hours involved; they only get a price figure, a dollar figure. Certainly in this field the attempt, if it were made, to convert dollars into man hours would have to be done on a pretty arbitrary basis or on the basis of a number of assumptions unless you were to revolutionize the whole cost calculations of this industry.

Mr. SMITH: I think it might be quite well to do so!

The CHAIRMAN: Mr. Harkness.

Mr. HARKNESS: I would like to refer back to a statement Mr. Drury made to the effect that the aim of the department is to secure the best value for the defence dollar.

I agree that that is the general aim, but I think there has to be a considerable amount of qualification in regard to that. I would refer particularly to the shipbuilding industry.

Is it not the situation that you could get the best value for the defence dollar by placing all shipbuilding contracts in the United Kingdom or some area such as that—

Mr. WINCH: Japan right now.

Mr. HARKNESS: Yes, or Japan—rather than building ships in Canada.

Mr. DRURY: I think probably in respect of an individual contract at a specific period of time one might get the lowest cost for that item, and that is why I was careful to use the term "the best value for the defence dollar" rather than the lowest possible cost at a particular time.

A secondary duty of the Department of Defence Production is, in addition to getting the best value for the defence dollar, the obligation as specified in the act to ensure that there is in Canada an adequate defence production base to meet Canadian defence needs.

Mr. HARKNESS: This is the very point I was coming to. One of the considerations in addition to getting the best value for the defence dollar is to maintain in Canada a defence production base, particularly in so far as the shipbuilding and aircraft industries are concerned.

Mr. DRURY: That is quite correct. Perhaps I should have elaborated a little more in answering the first question on the whole of the functions.

Mr. HARKNESS: This is the point I want to bring out.

Mr. SMITH: You do not always maintain your base in the right places.

Mr. HARKNESS: In so far as the shipbuilding industry in particular is concerned, one of the aims is to maintain this in different geographical locations, is it not?

Mr. DRURY: It would be hazardous from the military point of view to concentrate and maintain the whole of our shipbuilding and ship repairing facilities in one location.

Mr. SMITH: Hear, hear.

Mr. DRURY: If one were to do this, given the nature of present day weaponry, there would be the risk of having this aspect of our defence base wiped out at one stroke.

Mr. HARKNESS: Therefore, in allotting contracts for shipbuilding you are prepared to pay more for a ship, we will say, for example produced in Halifax than perhaps you would have to pay for it if it were produced at Sorel.

Mr. SMITH: Or Collingwood.

Mr. HARKNESS: You would be willing to do this to ensure that you have a shipbuilding industry maintained at Halifax? That is an example; I am not saying it is an actual case. You are prepared to do that?

Mr. DRURY: I would phrase it in rather more general terms. We have an obligation to ensure that all this particular activity is not concentrated in one location. Some premium would be payable if necessary to ensure that there is not a concentration in one location.

Mr. WINCH: Give us a few more contracts on the west coast.

Mr. HARKNESS: In actual fact—and I will say this as Mr. Winch has brought up the west coast—you have a few contracts on the west coast which have cost you considerably more money than they would have cost if you had let them in some other place? Is that not the case?

Mr. WINCH: I do not believe it.

Mr. DRURY: Contracts have been let on the west coast which have produced probably, in respect to shipbuilding, a higher cost than would have been the case had they been constructed in eastern Canada.

Mr. HARKNESS: But this again is justified because of the necessity of maintaining a shipbuilding base, particularly for defence purposes, in that area.

Mr. DRURY: That is correct.

Mr. MARTINEAU: May I ask a supplementary question?

The CHAIRMAN: Mr. Martineau.

Mr. MARTINEAU: May I ask Mr. Drury who makes the decision on that. Is it a ministerial decision or a cabinet decision?

Mr. DRURY: Who makes the decision on what?

Mr. MARTINEAU: Who makes the decision to award a contract to one area rather than to another in order to favour the economic position?

Mr. DRURY: The general policy as to the kind of framework there should be in Canada is manifestly for government or cabinet decision. Specific recommendations are made by the Canadian Maritime Commission to fit specific contracts into that general framework. This is to some degree at any rate a technical-statistical operation.

Mr. MARTINEAU: Is the final decision then with the Canadian Maritime Commission or with the minister?

Mr. WINCH: On defence?

Mr. MARTINEAU: On specifics.

Mr. DRURY: The final decision rests with a committee of cabinet known as the treasury board.

Mr. HARKNESS: So that there might be no confusion over the questioning which just has gone on, the primary consideration in this regard is to maintain the defence potential capability in addition to obtaining the best value you can at the same time, and another factor enters in from time to time; that is, the matter of the employment situation in particular.

Mr. DRURY: Clearly, if all other things are equal, the factor of employment or unemployment will come into play.

Mr. HARKNESS: Even if other things are not equal, does it not come into play from time to time?

Mr. DRURY: Well, I can say that in the past it has entered into the picture.

Mr. WINCH: May I ask a supplementary question. The minister said that the final decision is that of the treasury board. There is now—although it was wiped out for two or three years—a defence committee of cabinet. Does the defence committee of cabinet make the recommendation to the treasury board or to the cabinet?

Mr. DRURY: No.

Dr. WINCH: Will you please explain the process.

Mr. DRURY: The cabinet defence committee is concerned with the framework of defence policy. In broad general terms the defence committee obviously as a committee of cabinet reports to cabinet. The treasury board is concerned with expenditures in implementation of the general policy. It also is a committee of cabinet and reports to cabinet.

Mr. HARKNESS: I might be able to clear up your difficulty by saying that the defence committee is concerned with the matter from the military point of view and not from the point of view of how much money goes into a particular area or anything along that line; this is dealt with by, shall be say, cabinet as a whole and/or treasury board.

Mr. WINCH: And there is no recommendation in respect of cost.

Mr. HARKNESS: No. The cabinet defence committee is concerned with military policy and not with these elements.

If I might continue, in respect of the aircraft industry, which is more dependent than any other on defence contracts, how much of an aircraft industry would we have or could we support without defence contracts?

Mr. DRURY: If there were no requirements for the Department of National Defence?

Mr. HARKNESS: Yes.

Mr. DRURY: It would be very modest indeed.

Mr. HARKNESS: It would practically disappear.

Mr. DRURY: Well, there has been one firm in Toronto which has been remarkably successful in the whole operation of design, development, manufacture and sale of aircraft to users other than the Department of National Defence of Canada.

Mr. HARKNESS: A good many of those users are users for military purposes.

Mr. DRURY: Yes. If your question is how large an aircraft industry could Canada support if there were no requirements for military aircraft anywhere in the world, the answer is it would be even more modest.

Mr. HARKNESS: This is the point I am getting at. So far as the aircraft industry is concerned, if we are going to maintain an aircraft industry in this country we have to give it some defence contracts either from our own government or from other governments.

Mr. DRURY: We have to ensure that they participate in defence work; this is only too apparent. Successive governments with some success have done this; we are continuing to do it. However, I would suggest perhaps the level of the aircraft industry in Canada is and should be dictated by defence policy rather than defence policy dictated by the aspirations of the aircraft industry.

Mr. WINCH: Which one rules today?

Mr. DRURY: Defence policy.

Mr. HARKNESS: I would fully agree with this, and this is one of the areas in which it is difficult to ensure that this always happens; there always will be pressures in the opposite direction.

Mr. DRURY: It is true, as in almost any business, there are conflicting pressures.

Mr. HARKNESS: I will let somebody else proceed.

Mr. LLOYD: Mr. Drury, on the subject of statistics, a good deal of course depends on what use you are going to make of the statistics you compile. Generally speaking I think I would like to see some statistics for judging the over-all effect of defence expenditures. Could that be provided through d.b.s. rather than through your department?

Mr. DRURY: Most of the figures in this paper have been obtained from the dominion bureau of statistics. As you know d.b.s. is quite a large organization as it is. Continuously they are being asked for more statistics covering more areas. They cannot say yes to all of them. As a matter of fact we have suggested they should be prepared to furnish us with statistics of subcontracts; that is their job.

Mr. LLOYD: I recognize, Mr. Drury, the obvious difficulty of tracing the defence dollar from prime contractors down to subs and to off-site suppliers, to use a contractor's term. We have the on-site contractor which in your case is analogous to a prime contractor, and all the off-site subcontractors and suppliers of materials would be very difficult to trace down from the prime contractor. It occurred to me that the questionnaire of d.b.s. sent to the industries of Canada would produce acceptable data directly from those engaged in defence production or work. It would be much easier for us to look at this information obtained directly through d.b.s. from all the industries engaged in defence production. I think it is impossible to trace it the other way.

Mr. DRURY: I might point out there is one difficulty. To get back to the example of the resistor, when an order is made on a small firm in Halifax to produce 100 of these resistors, this particular manufacturer or supplier is not told what this resistor is going to be incorporated into; it may be for export; it

may be for either a military or a civil account. When d.b.s. asks him how much work he is doing on military account, he does not know.

Mr. LLOYD: The illustration you give would not occupy too great a volume of the statistics we would be seeking in respect of distribution of the defence dollar, would it?

Mr. DRURY: No, but on the other hand the dominion bureau of statistics likes to be able to give precise figures—this is what they are in business for—rather than roughly right or mostly right, or this kind of information. I think statistical information should be accurate and limited in so far as it can be to a minimum of guessing.

Mr. LLOYD: For the purpose of determining the distribution of the defence dollar to the economic levels of Canada, surely the billings to the Department of Defence Production from each industry thus engaging would be sufficient for our purposes. At least we would get the distribution of the dollar across the nation fairly readily. It is only a matter of compiling their dollar billings in respect of the Department of Defence Production.

Mr. DRURY: No. The billings to the Department of Defence Production are for prime contractors. The billings by subcontractors are to the prime contractor and by the sub-subcontractor to the subcontractor.

Mr. LLOYD: So, the subcontractor in New Brunswick, for example, would not necessarily know that these components were for defence production purposes, but usually he would know.

Mr. DRURY: Not necessarily. It would depend on the field in which he was operating. I suppose there was a time when virtually everything in the way of military equipment used by the military was uniquely military, but as military equipments and weapons systems become more and more complex, the components tend to be more and more the same as those going into civilian articles. There is this significant difference, and I do not know how widespread this may be; there tends to be a much tougher specification for most military components than there is for civilian components. This may give a number of subcontractors and sub-subcontractors a clue of what is military and what is non-military.

Mr. LLOYD: If you need these statistics for purposes of accountability to parliament, if you like, by your department, it would mean organizing the statistics for the future from the industry that produces; you cannot do it from the practices of the past.

Mr. DRURY: In that connection I might point out that most of the contractors who are in business and who have to take account of the cost as agains revenues in response to our request for this kind of information clearly indicate how much it would cost and expect us, the government, to pay you for it; they will not do it for nothing.

Mr. LLOYD: The statistics could be obtained. It is a question of organizing and assessing the need for such statistics in a parliamentary organization.

Mr. DRURY: Yes.

Mr. LLOYD: That leads me to my next question. You have many negotiators and all of their work finally gets presented in a package through you to the treasury board or the cabinet. I wonder, Mr. Drury, whether you could outline to us some illustration of the checks and balances which exist in ensuring the general integrity of this operation.

The CHAIRMAN: I believe that question deals more with the specific details of the operation of the department than the economic. Would you hold that question for a later meeting?

Mr. LLOYD: As you wish, Mr. Chairman, The reason I am asking the question is not so much in the sense of being a bloodhound merely to perform the role of

a watchdog over government expenditures, which opposition members and backbenchers must fulfil, but I am trying to see how in this very complex organization we discharge our obligation on the subject of accountability.

This brings us next to the policies in respect of defence expenditures which may require a gradual transition. When you look at the world today and see the kind of defence policies we may have to orient ourselves to, it is not difficult to foresee the complete closing out of economic activity in some areas of Canada as a result of necessary changes in the defence policy. I wonder whether you can advise the committee how you view the orientation; what should be the orientation of your department to the possible changes in the future?

Mr. DRURY: Let me say first that very rapid technological changes are continuously going on. The department is concerned with this; it has to take it into account and do what it can in the best possible fashion to accommodate these changes.

One I might mention is the—if not disappeared—very substantial reduction in the total defence picture of gun and small arms manufacture and ammunition. During the last war a very high proportion of our total defence resources were devoted to the production of guns and gun ammunition. Since the war the methods both of delivering high explosives and the value of those high explosives have changed very materially with the result that the tremendous energies and capacities we have at the end of the war for the production of guns and gun ammunition have become virtually not needed any more. This has led to the decision of the government some time ago to dispose of the substantial elements of The Canadian Arsenals complex.

This is an example of the changes which we have to face up to continuously which are brought about by advances in technology. I am sure that technological changes likely are to be more significant in terms of impact than the kind of change which one might envisage as a consequence of a major change in defence policy.

If I might mention this, another broad example has been the matter of manned aircraft. Not only have the numbers of manned aircraft required by the defence forces of the world gone down in total very substantially since the last world war, but the makeup of the aircraft itself has changed very materially indeed. The aircraft itself has become vastly more sophisticated and vastly move expensive, calling for quite different techniques, skills and machinery to deal with it. Also the air frame which used to be the whole of the aircraft with the addition of minor items of equipment for navigation and fire control and relatively modest engines, now has converted itself into a relatively cheap structure designed to carry very expensive and very complex electronic equipment, including computers, miniaturized computers for navigation and very sophisticated miniaturized communication equipment covering a broad range of communication needs. This is all very different indeed; one might almost say revolutionary from the kind of flying machine we had in 1945. This is going on continuously. Of necessity the department is very conscious of this, tries to keep ahead of these changes and endeavours to ensure that manufacturers are aware of this and are getting ready for these changes.

Mr. LLOYD: In essence, Mr. Drury, and in answers I think to previous questions presented by Mr. Winch and others, you are saying that the emphasis is on defence production to satisfy defence policy, and with this comes a clear message to the entire industry of Canada that it must have an alternative capability if it wishes to continue the operation of its plants and organizations.

Mr. DRURY: That is correct.

Mr. MCMILLAN: In respect of the four industries to which you refer, I think on page 7, in the fiscal years 1960, 1961, 1962 and 1963, I notice the city of Montreal receives practically half of the prime contracts and if you take

the province of Quebec it receives about 54 per cent. Is that due in some degree to the amount of unemployment in the areas concerned?

Mr. DRURY: I think it would be hard to argue that there was very intense unemployment in the Toronto area. No; this is a reflection of the industrial growth of Canada. The dominion bureau of statistics has advised us that the manufacturing capacity in the four major industries they have mentioned in these tables is as follows: In the Atlantic provinces the percentage of employees is 4.6 per cent, in the prairie provinces 2.6 per cent, in British Columbia 3.3 per cent, and in the provinces of Quebec and Ontario the number of employees engaged in this activity is 89.5 per cent. This is merely a measurement of how and where this type of manufacturing has grown up in Canada. The figures in respect of the selling value of shipments made by these four industries by regions correspond very closely to the numbers of employees. In the case of the maritime provinces, as a percentage of the total value of shipments, it is 2.3 per cent, in the prairie provinces 2.2 per cent, in British Columbia 3 per cent and in the provinces of Quebec and Ontario 92.5 per cent.

Mr. WINCH: And it is alleged that we are persecuting Quebec.

Mr. MCMILLAN: It is alleged that in the shipbuilding industry the firm contractor retained roughly 60 per cent of the contracts and we let out 40 per cent.

Mr. DRURY: I think it is the other way around; the shipyard is 40 per cent.

Mr. MCMILLAN: How about the aircraft industry?

Mr. DRURY: You must assume that 100 per cent of the expenditures made in the aircraft industry remain in the aircraft industry. In respect of any particular firm or any particular prime contractor there is a similar set of percentages with reference to the amount of work done by him as distinct from a subcontractor. I am subject to correction on this. In respect of air frame prime contractors, the subcontracting will run as high as 70 per cent of the total amount of the contract. This is not a standard figure, but it does go as high as that and it will vary down lower. In the electrical industry there is a very substantial amount of subcontracting also. The same, of course, is true in the case of prime contractors in the electronics or in the instrument field; it is probably less in the instrument field than in the other three.

Mr. MCMILLAN: You mentioned that you do some purchasing and looking over of bids in other departments. Do you do so in the Department of Transport?

Mr. DRURY: You have reference, Dr. McMillan, I think to evidence given by Mr. Hunter the other day.

Mr. MCMILLAN: Yes; the new gates on the Welland ship canal, for instance —the technical aspect of that.

Mr. DRURY: I do not know, and I do not know whether Mr. Hunter knows offhand, whether there has been consultation in respect of the new gates on the Welland canal. I do know that the officers of the Department of Defence Production and the defence industry are widely consulted by the technical officers of other government departments.

It is only natural that they would make use of the specialized knowledge of the officers of these two departments.

The CHAIRMAN: I have Mr. Deachman and Mr. MacLean.

Mr. HARKNESS: May I say, in collaboration with what Mr. McMillan has said, that there appears to me to be an unduly high proportion of these defence contracts in Quebec and Ontario, as you have said, and that it is to a large extent dependant on the fact that the Canadair plant in Montreal had the 104 airplane contract during this period?

Mr. DRURY: The 104 contract—that is entirely correct. It acocunts for a very substantial fraction of the total of the aircraft items, and also for the total of them all.

Mr. HARKNESS: That is the basic reason why the Quebec figures are so much higher than we might expect to find them.

Mr. DRURY: This accounts for the high level.

Mr. DEACHMAN: I have a question which is almost supplementary to what was asked. My questions are very much along the line which Mr. Harkness just referred to, namely, the fact that the aircraft industry in Quebec accounts for a good deal of the disparity, or for the high concentration of industry in the east, and the very light concentration of defence industry elsewhere.

Let us take a look at the shipbuilding figures. If the government were interested to bring about any equalizing of this matter, would there have been 90 per cent of the industry concentrated in Quebec and Ontario? Would they not use some of the $21 million that we have here in the shipbuilding industry to equalize their difference in the maritimes and on the British Columbia coast? When I look at the cost I find in the totals which we have been given in reply to the question we are looking at, that about three or four per cent of this business of defence is on the coast which normally in the Canadian economy accounts for about 10 to 15 per cent in given items of the economy.

Mr. DRURY: May I interrupt you?

Mr. DEACHMAN: Yes.

Mr. DRURY: When looked at as a group of the aircraft, electronics, instruments and shipbuilding activities, the province of British Columbia respecting all accounts, military and civil, represents something which is in excess of three per cent of the total productive capacity of Canada.

Mr. WINCH: On contracts let to British Columbia?

Mr. DRURY: No, no. These figures on cost have the number of employees and the value of the shipment on all accounts obtained from the dominion bureau of statistics respecting these four industries grouped together. It must be a fact well known to the members of the committee that the electronics industry is not a major item of activity in the province of British Columbia. There are relatively few electronic companies or firms in British Columbia.

Mr. DEACHMAN: May I ask you this: How is it historically that Canada has concentrated 90 per cent of its business in Ontario and Quebec, whereas in the United States the vast defence industry has sections in the west to balance the defence industry which has grown up in the east? Did the government of Canada throughout the history of the growth of this industry never lend encouragement to the growth of defence industries anywhere except in Quebec and Ontario? We end up with only three per cent of the productive capacity. Why did they not go out and lend encouragement to the west?

Mr. SMITH: To those who have it shall be given.

Mr. DEACHMAN: Do they say that where growth was, more growth came?

Mr. DRURY: Under the free enterprise system—and this is true for the United States as well as Canada—industry tends to locate and grow as a consequence of individual corporate decisions. The qualities of British Columbians have been devoted largely to the kind of economic activity which to them is attractive and natural.

Mr. WINCH: You are saying they are hewers of wood and drawers of water.

Mr. DRURY: I hope Mr. Winch is speaking for himself. I refer mainly to resource based industries. Now, there is a very high proportion of the total

economic activity related to fishing which is concentrated on the Pacific coast. But there are very substantial elements of the total Canadian activity related to lumber, pulp, and paper making as well concentrated in the province of British Columbia.

Mr. DEACHMAN: We know that pulp and paper making are also concentrated in the province of Quebec, yet we also find concentrated in the province of Quebec about 50 per cent of the defence production industry. We in British Columbia now would be happy to develop secondary industries. Do you feel that we are so much of a primary industry area that we are precluded from the field of secondary industries? I suggest to you and to other eastern members that you just try us to see whether or not we are interested in developing some of the business which is now held to the extent of 90 per cent by Quebec and Ontario. The only conclusion we can come to is that efforts have been made to concentrate or centralize it.

Mr. WINCH: We are fed up with being the low province on the totem pole, because we are 3,000 miles away from the central government.

Mr. SMITH: Normally I would not like to associate myslef with Mr. Deachman's proposition, because surely one of the reasons for locating the defence industry is whether there are available the skills necessary; and another reason I would think they should concentrate it in Quebec and in the Toronto area is that you would not want to have your industry completely based on defence production. Therefore, it seems to me, for economic reasons, the arguments for establishing that industry in a certain location are that surely defence production should only supplement normal production. I think that is one of the things we learned from the unhappy experience of Avro.

Mr. LESSARD (*Lac-Saint-Jean*): May I ask a question?

The CHAIRMAN: If it is a short supplementary.

Mr. LESSARD (*Lac-Saint-Jean*): Yes. In the shipbuilding figure of $21 million for Quebec, does it include the *Provider,* which amounts to $60 million by itself?

Mr. DRURY: There would be part of the cost of the *Provider* in the fiscal year 1960-1961; but this does not represent the total amount in contract, obviously. The *Provider* was not made all in one fiscal year, so consequently there would only be part of it in there.

The CHAIRMAN: It is now just about one o'clock.

Mr. LLOYD: I have a supplementary question.

The CHAIRMAN: Mr. MacLean has a question he would like to ask. If the committee would give approval to it, I suggest we sit over a little bit to complete our questionning.

Mr. LLOYD: I would like to have one additional piece of information. Could we have the amount of defence dollars spent on the armed forces personnel, and how they are distributed in Canada? I think this is germane to the whole thing—for example, on the east-coast vis-à-vis the west coast.

Mr. DRURY: The committee could address that question to the Minister of National Defence.

The CHAIRMAN: We can do it for you when the information is provided.

Mr. SMITH: Could it be placed in the committee records at this very spot when it is printed?

The CHAIRMAN: I will see if we can get the information in time to incorporate it in the record, as it is relevant.

DEPARTMENT OF NATIONAL DEFENCE

(Estimated) Expenditures by Province for Fiscal Year 1963-64

	Pay and Allowances	Civil Pay	Travel	Suppliers	Miscellaneous	Total
	$	$	$	$	$	$
Newfoundland.....	4,350,149	2,652,634	270,886	2,156,239	176,617	9,606,525
Prince Edward Island.....	6,178,401	874,311	258,929	1,635,715	242,677	9,190,033
Nova Scotia.....	70,595,357	25,781,970	3,001,882	45,693,050	2,801,139	147,873,398
New Brunswick...	24,829,971	5,940,118	1,129,312	10,261,981	1,078,818	43,240,200
Quebec.....	51,129,568	25,472,607	3,158,542	202,895,850	4,126,316	286,782,883
Ontario.....	150,162,445	69,689,240	7,750,889	239,067,350	12,743,113	479,413,037
Manitoba.....	33,743,700	8,703,789	1,407,581	18,915,795	1,498,289	64,269,154
Saskatchewan.....	7,990,113	2,751,017	570,064	6,173,770	479,208	17,964,172
Alberta.....	39,099,762	12,515,110	1,894,487	26,391,688	2,236,412	82,137,459
British Columbia..	41,321,965	20,954,458	2,055,746	33,723,383	5,247,092	103,302,644
Yukon.....	2,156,713	2,563,532	116,427	1,546,705	15,214	6,398,591
Northwest Territories.....	1,304,496	37,127	40,303	200,725	5,166	1,587,817
					GRAND TOTAL.....	1,251,765,913

Note:—The estimated expenditures are separated into selected categories to show major expenditures *directly identifiable* with each province, together with estimated total amounts.

Mr. MacLean (*Queens*): I am grateful to the committee for agreeing to stay over, and I shall try to be as brief as I can. The witness stated that it was defence needs and not economic considerations which dictated the volume of defence expenditures, and with that I agree. I think that during the course of evidence the statement was made that the job of the department is to get the best value for the defence expenditure dollar in the way of equipment. But surely this is limited by various other considerations, and in some cases it has overridden all other considerations. The minister has stated there is the responsibility to obtain an adequate defence base, and it is in this connection that there has been increasing complexity and sophistication of defence equipment. But is it not a fact that it has become more and more difficult for relatively small countries like Canada to maintain a defence base chiefly because of the very complicated equipment, the cost of which is almost astonomical if the number of units produced is small? Would you agree that there is increasing difficulty in obtaining a defence base?

Mr. Drury: It would be impossible for a country like Canada to do this in any satisfactory way if it were not for the production sharing and defence sharing arrangements which have been made, and which are designed specifically and explicity to make it possible for the Canadian defence base to produce not only for the needs solely of the Canadian armed forces but also for the armed forces of other countries. That is the way in which we are endeavouring to secure the volume which is needed to make manufacturing in Canada or development indeed in Canada practical.

Mr. MacLean (*Queens*): Is it not true that the objective of the department is to cause the minimum of disturbance in the economy of the country in its assignment of defence contracts? For example, to take an extreme case: Suppose

that all defence contracts were let in one town or city. Would this not be very undesirable because the economy of that place would be very much disturbed by an increase or by a cutback of defence expenditures? You want to try to spread them *pro rata.*

Mr. DRURY: If one were to concentrate to the point of overexpanding the economy of a particular locality, surely it would not be long before prices, and costs, in that particular locality would become very much out of line. And if the Department of Defence Production were not mindful of this, and did not take a rather longer view than the immediate occasion demanded, we would not have secured the best value for the defence dollar.

Mr. MACLEAN (*Queens*): I would like to ask a question about the ultimate stimulation of activity by laymen, considering the balance of payments. This is difficult, and there is certainly another matter which has been brought into consideration in letting defence contracts. In this connection I wondered if the effect of the balance of payment countries which have troops stationed in other countries is brought into the equation.

Mr. DRURY: Well, when you say brought into the equation, the only country with which we have an agreed equation is the United States. There are no specific agreements with any other country than the United States. In the course of the production sharing agreements with the United States pay and allowances and other expenditures relating o the American forces stationed in Canada would not enter into this equation.

Mr. MACLEAN (*Queens*): And in the case of France and Germany it does does not enter in at all.

Mr. DRURY: Well, we have no costs or production sharing agreement with France. When we are talking to the French about the possibility of their looking to Canadian sources for their equipment, mention obviously is made of this particular fact. But it is nothing more, if you like, than an additional selling argument.

Mr. MACLEAN (*Queens*): In conclusion in letting defence contracts surely the final consideration must be the real cost rather than the apparent cost of defence production, or perhaps the gross cost, or rather the net cost rather than the gross cost. Surely, when a contract is let in Canada for materials or components of a ship which is being built in Canada, and which are produced in Canada, it is desirable and it has to be taken into consideration rather than, for example, than having a ship built in Japan, for no other considerations than the dollars expended generate industry in Canada bring back dollars to the treasury in the way of income taxes, sales tax, and many other item which would not occur it the contract were let outside the country. Surely this is a very important consideration in letting defence contracts?

Mr. DRURY: This is a consideration. There are obviously a great many factors which enter into a decision of this kind. Another one might be the undesirability of establishing in Canada a temporary manufacturing activity for which there would be no further use at an early date, the undesirability of establishing—if one can avoid it—what would be clearly an uneconomic activity. So that possibly there would be an advantage in certain specific cases, even in business, in a kind of production sharing agreement, for you to look abroad for the supply, or for the production of some specialized items of equipment.

Mr. MACLEAN (*Queens*): I would like normally to pursue some of these points further. However, I appreciate that time is of the essence.

The CHAIRMAN: Our next meeting will be on Thursday.

Mr. WINCH: May I direct a question to you, as Chairman?

The CHAIRMAN: Very well.

Mr. WINCH: Will you as Chairman take under consideration the calling of a further meeting of this committee to discuss what was obviously to be our major discussion today? Our discussion today has been most interesting and informative. But the reason basically that the minister, and Mr. Hunter are here, was defence expenditures, and their influence on the Canadian economy; and you must tie in with it what is the impact on the economy if there are any reductions in defence expenditures. We have not basically discussed that important principle, and I am going to say that unless the committee does so, we have not got the guts to face up to a damned important issue. So I ask you if we might have a further meeting when we could get down to what was originally intended for the meeting today?

The CHAIRMAN: Mr. Winch, this problem falls into two parts. The first is the impact on the economy, and then you move from that and see what might happen in the reduction.

We have two papers on these topics, one by the Department of Defence Production which we have discussed today and one by Professor Rosenbluth on the other area, which I hope we will deal with in due course.

Mr. WINCH: We have not actually discussed the impact on this brief. It is most interesting and most informative, but we have not dealt with the major purpose for which we have been meeting for the last two hours.

The CHAIRMAN: Our purpose was to discuss the paper before us, which I think we have done.

Our next meeting will be held at eleven o'clock, in this room, on Thursday when Mr. Golden from the Air Industries Association of Canada will be the witness.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 23

THURSDAY, NOVEMBER 26, 1964

WITNESSES:

From Air Industries Association of Canada: Mr. David Golden, President; Air Vice Marshal J. L. Plant, Chairman of Board; Mr. G. Wooll, Vice-Chairman; and Mr. T. E. Stevenson and Mr. J. E. Smith, both members of the Association.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21568—1

SPECIAL COMMITTEE
ON
DEFENCE

Chairman: Mr. David G. Hahn

Vice-Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—(24).

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, November 26, 1964.
(37)

The Special Committee on Defence met at 11.10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Asselin (*Notre-Dame-de-Grâce*), Deachman, Hahn, Harkness, Lambert, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, McMillan, McNulty, Pilon, Smith, Temple and Winch—18.

In attendance: From the Air Industry Association of Canada: Mr. David Golden, President; Air Vice Marshal J. L. Plant, Chairman of the Board; Mr. G. Wooll, Vice-Chairman; and Mr. T. E. Stevenson and Mr. J. E. Smith, both members of the Association.

The Chairman introduced the representatives of the Association and invited Mr. Golden to present the Association's submission.

Mr. Plant spoke briefly as an introduction to the showing of "slides" which indicated the magnitude of the *Canadian Air Industry*. Mr. Smith gave the commentary, accompanying the showing of the slides.

The Chairman presented the Eleventh Report of the Steering Subcommittee as follows:

> The Steering Subcommittee recommends that the Committee meet at 11.00 a.m. Tuesday, December 1, 1964, with the Minister of Defence Production and the President and General Manager of the Canadian Commercial Corporation in attendance.

On motion of Mr. Winch, seconded by Mr. McMillan.

Resolved,—That the above-mentioned Eleventh Report of the Steering Subcommittee be now concurred in.

The Committee proceeded to review the presentation of the Air Industries Association, with the witnesses answering questions thereon.

In reply to a request, respecting Defence Expenditures, at the November 24 meeting, the Chairman tabled *"Estimated Defence Expenditures, by Provinces, for fiscal year 1963-64" (Note: that information is printed in Proceedings No. 22 of this Committee*).

At 1.00 p.m. the Committee recessed.

At 4.00 p.m. the Committee resumed its consideration of the submission of the Air Industries Association of Canada. The witnesses were questioned thereon and on related matters.

At 5.35 p.m. the Committee adjourned until 11.00 a.m. Tuesday, December 1, 1964.

E. W. Innes,
Clerk of the Committee.

Note—The evidence, adduced in French and translated into English, printed in this issue, was recorded by an electronic recording apparatus, pursuant to a recommendation contained in the Seventh Report of the Special Committee on Procedure and Organization, presented and concurred in, on May 20, 1964.

21568—1½

EVIDENCE

THURSDAY, November 26, 1964.

(*Text*)

The CHAIRMAN: Would you come to order, please. We have here today representatives of the Air Industries Association of Canada who are going to make a presentation to us. We have, as witnesses, Mr. Golden who is president of Air Industries Association on my right, next to Mr. Golden we have Air Vice Marshal Plant, Chairman of the Board of Air Industries Association of Canada. I am also going to give you the industry affiliations of these gentlemen. Air Vice Marshal Plant is General Manager of Collins Radio Company of Canada Ltd., Toronto. Next to Air Vice Marshal Plant we have Mr. Stevenson, a member of Air Industries Association of Canada and President of United Aircraft of Canada Limited at Longueuil, Quebec. Next to Mr. Stevenson is Mr. Wooll, Vice Chairman of Air Industries Association of Canada and Managing Director of Genaire (1961) Limited at St. Catharines. Sitting in the background is Mr. Jim Smith, Vice President of Computing Devices of Canada Limited, Ottawa.

We will open with a statement by Mr. Golden. I believe copies of the statement have been distributed to everyone.

Mr. Golden, if you will proceed.

Mr. DAVID GOLDEN (*President, Air Industries Association of Canada*): Mr. Chairman and gentlemen, the Air Industries Association of Canada is a nation wide trade association of some 91 member companies serving the aerospace industry of Canada. We welcome this opportunity to acquaint members of the defence committee with aeronautical products made in Canada, and to describe the capabilities and scope of the Canadian aerospace industries.

It may be of interest to make a few historical comments. By 1950 Canada was among the six countries in the world with a well-balanced, fully integrated aviation industry. We shared this distinction with the United States, the Soviet Union, Britain, France and Sweden. At that time (1950) the aviation industry in France and Sweden did not have the essential depth which existed in our Canadian industry. This efficient post war Canadian complex was at hand to accept the challenge that came its way at the time of the Korean war and the subsequent build up of Western defence industries.

In more recent years, the manufacturing section of the industry has continued to diversify its products and markets and has won substantial export orders against larger and more powerful competitors. Examples are engines, aircraft, simulators, communications and navigation equipment, etc.

The aerospace industry is an asset of national importance to our Canadian economy. Our member companies realize that in order to maintain our current position we must make sincere efforts of our own to justify our continued existence on the present scale. Unless we are successful we will suffer the loss of technical people and their skills to other countries; we will reduce our export capabilities; we will lessen our ability to conduct research and development which plays such an important part in an industry like ours.

It is not always recognized at home and abroad that Canada is one of the few countries in the Western world with an aerospace industry capable of advanced research, design, development and production of complete aircraft

and the associated systems. In terms of manpower and facilities, already in existence, we are surpassed only by U.S.A., U.K., and France. We believe the qualifications of our scientists and engineers in our specific areas of technology are as high as those abroad—this we have proven by our competitiveness in the fields we have entered up to this time.

Size of the Industry

The employment in the Canadian Air Industry today is approximately 34,000 people. This includes only those people directly involved in air industry production, i.e., for those companies which have other activities as well, only the air industry employment is included. This direct employment includes a significant number of highly skilled scientists, engineers and technicians.

Regional Distribution

The majority of the companies are situated in Ontario and Quebec. There are exceptions. One company operates in Vancouver, British Columbia, one is situated in Edmonton, Alberta, two are situated in Winnipeg, Manitoba, three operate in the Maritimes, which are Enamel & Heating, E.M.I. Cossor, Fairey Canada Ltd. Of the companies which are situated in Ontario and Quebec, the majority are in the Toronto or Montreal areas, but there are some exceptions. Several of these are, Canadian Car & Foundry in Fort William, Computing Devices of Canada Limited and Electronic Materials of Canada Limited in Ottawa, Boeing of Canada Ltd., in Arnprior, Leigh Instruments Limited in Carleton Place, Dominion Rubber Company Limited in Kitchener, Fleet Manufacturing Limited in Fort Erie, Genaire (1961) Limited and Thompson Products Limited in St. Catharines, Renfrew Aircraft & Engineering Company Limited in Renfrew, Canadian Flight Equipment Cobourg Limited in Trenton, and Aircraft Industries of Canada Limited in St. John, Quebec. In addition, one of our companies has branch facilities in Calgary, Alberta.

Value of Production

The total value of production by the companies of A.I.A.C. in the calendar year 1963 was over 500 million dollars. Of this amount a significant portion was accounted for by the manufacture of aircraft, engines, simulators, electronics and electro-mechanical equipment, accessories and ground support equipment. A lesser amount is accounted for by repair and overhaul.

Exports

In recent years the air industry in Canada has been a large exporter of its products. These exports in the calendar year 1963 ran at approximately 50 per cent of its total production. In the first six months of 1964 exports of aircraft and parts (not including any electronics) were worth $122,300,000. This represented a rise of 136 per cent over the same period in 1963. No other Canadian secondary manufacturing industry exports in this volume, and at such a high percentage of its total production. This has been achieved against large competitors, some of whom have very great government assistance for their export sales efforts. These exports include aircraft, engines, simulators, communications and navigation equipment, and a variety of products and components.

Customers

Like all air industries all over the world, the Canadian air industry is heavily dependent on government assistance. The largest single customer is the Department of Defence Production, procuring on behalf of the Department of National Defence. The next largest customer is the United States. Department

of Defence, either directly or as sub-contractors to American prime contractors. The proportion of total output which is produced for and paid for by the Department of National Defence has, however, been steadily decreasing. The proportion of total output being produced for and paid for by customers other than the military departments of Canada and the United States has been steadily increasing. These customers include other governments, foreign and domestic airlines, and foreign air industries.

Research and Development

This is an industry which is based in large part on advanced technology and consequently absorbs a significant amount of research and development money. These funds are derived from government contracts, the companies themselves or a combination of both. Some notable successes in research and development have been achieved by this Industry both in meeting Canadian requirements and in satisfying world markets. No company can over the long term afford to engage in meaningful research and development programmes unless it has other activities from which to generate the funds which such participation in research and development requires.

Reasons for having an Air Industry

A strong and vigorous air industry is possible only with significant government support. It is fair to ask, then, what the country receives in return. There are four headings under which this can be answered:

(*a*) Support for the armed forces. The operation of modern equipment requires the back-up of modern industry. It is hard to conceive of a country without a modern industry using modern weapons in its forces. No requirement exists for blind adherence to a rigid made-in-Canada philosophy. There does, however, exist a requirement for a broad-based air industry with reasonable competence in the areas which are covered by our military commitments. Military commitments not only imply, but demand corresponding industrial capabilities.

(*b*) Contribution to advanced technology. Many processes, products and skills originate in advanced air industry programmes, and then filter through to other industries. In addition, some companies retain such "technological fall out" in their own plants and thereby diversify their product range and their industrial capabilities. Skilled labour trained in the Canadian air industry has contributed a great deal to the success of many new industries in different fields.

(*c*) Exports. There are not many mature, efficient air industries in the world. There are many export opportunities in both the defence and the non-defence fields. Some of these exports represent very complex and expensive items of the kind which very few industries can duplicate. The few countries which export any appreciable amount of air industry products do so from a strong home base. An air industry with a strong home base can market abroad a significant portion of its output. An industry without a strong home base will soon become non-competitive in export markets, and thereafter non-competitive in its own home market. Most exports are generated after the product has received domestic acceptance.

(*d*) Employment. If more secondary manufacturing is a Canadian requirement to absorb new entrants into the labour market, then the air industry is here and does not have to be created. While not a large industry in absolute terms, in relation to Canadian

secondary manufacturing industries it is sizeable, efficient, internationally competitive and provides employment at home for trained scientists, engineers, technicians and labour.

Conclusion

(*a*) A close partnership between the Canadian defence forces and industry in which the industry is permitted to help in advance planning, can serve national interests beyond those of defence alone.

(*b*) Research and development in an industry which is engaged in defence work can have great advantage to the country in the field of exports, and can also contribute in great measure to the advancement of technological know-how in industry generally.

(*c*) The Canadian air industry is an aggressive and efficient segment of secondary manufacturing. Its costs are competitive. Its capabilities are of the first order. The Industry plays a significant role in the Canadian economy.

Abercorn Aero Limited,
Montreal, Quebec

Aeroquip (Canada) Ltd.,
Toronto, Ontario

Aircar Canada Ltd.,
Dorval, Quebec

Aircraft Industries of Canada Limited,
St. Johns, Quebec

Aircraft Welding & Sheet Metals Co. Limited,
St. Michel, Quebec

Alcoa International Canada, Ltd.,
Toronto, Ontario

Alloy Metal Sales Limited,
Toronto, Ontario

Aviation Electric Limited,
Montreal, Quebec

Aviation Electric Pacific Limited,
Vancouver, B. C.

Bancroft Industries (62) Inc.,
Montreal, Quebec

Bendix-Eclipse of Canada Limited,
Toronto, Ontario

Boeing of Canada,
Arnprior, Ontario

Bowmar Canada Limited,
Chomedey, Quebec

Bristol Aero-Industries Limited,
Montreal, Quebec

Brunswick of Canada Limited,
Cooksville, Ontario

A. J. Campbell Division—Esna Limited,
Montreal, Quebec

Canadair Limited,
Montreal, Quebec

Canadian Aviation Electronics Ltd.,
Montreal, Quebec

Canadian Curtiss-Wright Limited,
Toronto, Ontario

Canadian Flight Equipment Cobourg Ltd.,
Trenton, Ontario

Canadian Marconi Company,
Montreal, Quebec

Canadian Skf Company Limited,
Scarborough, Ontario

Canadian Steel Improvement Limited,
Toronto, Ontario

Canadian Westinghouse Company Limited,
Hamilton, Ontario

Cannon Electric Canada Ltd.,
Toronto, Ontario

Carriere Technical Industries Ltd.,
Scarborough, Ontario

Central Dynamics Ltd.,
Pointe Claire, Quebec

Collins Radio Company of Canada Ltd.,
Toronto, Ontario

Computing Devices of Canada Limited,
Ottawa, Ontario

Daystrom Limited,
Cooksville, Ontario

DCF Systems Limited,
Malton, Ontario

DE Havilland Aircraft of Canada Limited,
Downsview, Ontario

Dilworth, Secord, Meagher & Associates Limited,
Toronto, Ontario

Douglas Aircraft Company of Canada Limited,
Ottawa, Ontario

Dominion Rubber Company Limited
Kitchener, Ontario

Dowty Equipment of Canada Limited
Ajax, Ontario

Drummond, McCall & Co., Limited
Lachine, Quebec

Dunlop (Canada) Limited
Toronto, Ontario

Electronics Materiels of Canada Limited
Ottawa, Ontario

Emi Cossor Electronics Limited
Dartmouth, N.S.

Enamel & Heating Products Limited
Amherst, N.S.

Fairey Canada Limited
Dartmouth, N.S.

Field Aviation Company Limited
Toronto, Ontario

Fleet Manufacturing Limited
Fort Erie, Ontario

Philip French Sales Ltd.
Montreal, Quebec

Found Brothers Aviation Limited
Rexdale, Ontario

Garrett Manufacturing Limited
Rexdale, Ontario

Genaire (1961) Limited
St. Catharines, Ontario

Grant & Russell, Limited
Montreal, Quebec

Godfrey Engineering Company Limited
Lachine, Quebec

The Goodyear Tire & Rubber Company of Canada Limited
Toronto, Ontario

Hawker Siddeley Canada Ltd.
Toronto, Ontario

Heatex Limited
Montreal, Quebec

Heroux Machine Parts Limited
Longueuil, Quebec

Honeywell Controls Limited
Leaside-Toronto, Ontario

Horizon Aviation Limited
Toronto, Ontario

Imperial Oil Limited
Toronto, Ontario

Instruments (1951) Limited
Ottawa, Ontario

Jarry Hydraulics Limited
Montreal, Quebec

Walter Kidde & Company of Canada
Montreal, Quebec

R. J. Landry Associates Ltd.
Ottawa, Ontario

Lasalle Engineering Limited
Montreal, Quebec

Leigh Instruments Limited
Carleton Place, Ontario

Litton Systems (Canada) Limited
Rexdale, Ontario

Lockheed Aircraft Corporation of Canada Ltd.
Ottawa, Ontario

Lucas-Rotax Limited
Montreal, Quebec

McDonnell Aircraft Corporation
Ottawa, Ontario

C. M. Newhall Limited
Dorval, Quebec

Normalair (Canada) Ltd.
Toronto, Ontario

Northwest Industries Limited
Edmonton, Alberta

Precision Rubber Products (Canada) Ltd.
St. Therese, Quebec

Prenco Progress & Engineering Company
Toronto, Ontario

Railway & Power Engineering Corp. Limited
Montreal, Quebec

Ranar Industries Limited
Montreal, Quebec

Rankin-Strite Limited
Hespeler, Ontario

RCA Victor Company Ltd.
Montreal, Quebec

Renfrew Aircraft & Engineering Company Limited
Renfrew, Ontario

Rolls-Royce of Canada Limited
Dorval, Quebec

Seeley Publishing Company Ltd.
Montreal, Quebec

Shell Canada Limited (Aviation Department)
Toronto, Ontario

S. Smith & Sons (Canada) Limited
Don Mills, Ontario

Sperry Gyroscope Ottawa Limited
Ottawa, Ontario

Standard Aero Engine Limited
Winnipeg 21, Manitoba

Terry Machinery Company
Ottawa, Ontario

Thompson Products Limited
St. Catherines, Ontario

Timmins Aviation Limited
Dorval, Quebec

United Aircraft of Canada Limited
Longueuil, Quebec

Varian Associates of Canada Ltd.
Georgetown, Ontario

Vickers-Sperry of Canada Ltd.
Rexdale, Ontario

Walbar Machine Products of Canada Limited
Toronto, Ontario

York Gears Limited
Toronto, Ontario

The CHAIRMAN: Before we proceed with the questioning, I believe there is a further presentation that the association wishes to make and I will ask Mr. Golden to proceed with that.

Mr. GOLDEN: Well, sir, Air Vice Marshal Plant would like to carry on from here.

Mr. WINCH: Is this a brief or is it extemporaneous?

The CHAIRMAN: This is extemporaneous.

AIR VICE MARSHAL PLANT (*General Manager, Collins Radio Company of Canada Ltd., Toronto, Ontario*): Mr. Chairman and gentlemen, I am the chairman of the board of Air Industries Association of Canada, and as such I suppose one might say I am an elected member. I am responsible, therefore, to all the 91 members of the association, and I should like to make it very clear that the association does not represent a lobby of any kind on behalf of any one of the companies who are members.

I should like to say, also on behalf of the association, that we subscribe wholeheartedly to the statement made by Mr. Drury recently to the effect that the defence posture and the defence requirements should govern and not the requirements of the industry.

However, we do consider ourselves, in effect, to be an integrated part of the defence force of our country and it may well be that immediate military requirements do not necessarily require that construction of any particular kind of equipment is now needed but would be needed sometime in the foreseeable future.

It would be desirable, therefore, if the industry could put its house in the necessary shape in order to plan for any future requirements. I would like to repeat once more, however, that we consider ourselves as a supporting part and in fact an integrated part of defence in this country.

It was my good fortune this spring to be a member of a trade mission, consisting of several members of the Air Industries Association of Canada, to Australia and New Zealand and Japan. With us was Mr. Jim Smith of Computing Devices of Canada Limited. We thought, while we were on this tour, that a slide presentation covering as widely as possible the capability of our industry would be useful. It was well received in Australia and it was received as a surprise, I think, to most of the people that our industry is as broad as it is. Most people think the aircraft industry consists of someone who builds an airframe and some people who build engines and forget about the other ancillary equipment.

If you will bear with us, I would like to ask Mr. Smith to give you basically the same slide presentation which we presented to the officials in Australia, New Zealand and Japan.

I should like to inform you that Mr. Smith worked very hard at this on the tour. He spent the whole of the first day in Tokyo with an interpreter and had his whole presentation translated into Japanese so that those to whom he was speaking could, in fact, understand him.

Mr. J. E. SMITH (*Vice President, Computing Devices of Canada Limited*): Gentlemen, as Mr. Plant indicated, this collection of slides was made particularly to cover the scope of the industry in Canada and not to highlight any particular activity or product line. The slides are arranged in sequence which give typical views of some of the factories and plants in the industry; to cover some of the aircraft programs and the engines, and then continue through the line of accessories, electronic equipment and on into some of the newer and more diversified projects under way in this country at this time.

This first slide is a view of the de Havilland aircraft plant at Downsview. This is the home of the Beaver, the Otter and Caribou and now the new Buffalo aircraft.

This is the de Havilland plant at Malton where de Havilland are now undertaking a major program in co-operation with Douglas Aircraft in the United States for the manufacture of a significant portion of the new medium range DC-9 jet transport aircraft. As you know the DC-9 is an aircraft which will be used in Canada by Air Canada.

This is a view of the Canadair plant near Montreal. Canadair is a large scale producer of such aircraft as the T-33 trainer for the R.C.A.F., and a large number of F-86 aircraft for both Canada and export applications. They currently have been producing the CF-104 aircraft for the Canadian air force. They also produce a number of that aircraft for a joint United States-Canadian military aid program. Canadair developed and produced our Argus antisubmarine aircraft and CL-44 swing tail transport.

This is the United Aircraft of Canada Limited plant located at Longueuil, Quebec. United Aircraft produces here most of the current requirements, for worldwide applications, for spare parts for Pratt-Whitney piston engines for aircraft. They have developed, in these facilities, the new Canadian PT-6 turbo prop engine and are currently producing the CHSS-2 helicopter for the Canadian navy.

This is a view of the Computing Devices of Canada Limited plant near Ottawa at Bell's Corners. This slide shows the typical type of facilities that are in use across the country by the suppliers of electronics and accessories for the industry.

This is a view of the Canadair CL-44 transport aircraft. Those of you who travel extensively around the world will be quite surprised to find aircraft of this type being loaded or unloaded at most of the major international terminals in the world.

This is a view of the de Havilland Beaver aircraft in the foreground and the Otter at the back. De Havilland have produced over 1,600 Beaver aircarft, mostly for the export market. They have produced over 800 of the Otter, the larger one at the rear there.

This is the de Havilland Caribou produced for the United States army, in service with the Canadian air force, and with a large number of export customers. During the trade mission, the first three of this type of aircraft arrived in Australia for the Royal Australian Air Force.

This is a view of the PT6 engine. This engine was designed and developed in Canada and is currently undergoing evaluation for about 14 different applications in marine vessels, landcraft and aircraft of both the fixed wing and rotary wing types. The engine is a very strong contender for the new large scale programs under consideration in the United States for their counter insurgency type of aircraft.

This is an aircraft of which those of us in the industry are very proud. This is the Turbo-Beaver, the first completely Canadian designed and developed commercial aircraft. It is a de Havilland Beaver in a modified form with a United Aircraft PT-6 engine. This aircraft aroused considerable interest in the Far East during our tour this spring.

A new aircraft currently under development, and again wholly Canadian, is the new de Havilland Twin Otter. This is a growth version of the Otter aircraft with two United Aircraft PT-6 engines, again of considerable interest for short haul airlines in export areas such as New Guinea.

This is a view of the de Havilland Buffalo, a much larger short take-off aircraft.

This is the Canadair CL-41, jet trainer. Approximately 190 of these are in production as a trainer for the R.C.A.F. and considerable interest in a number of versions of this basic aircraft has been shown in many export countries—South America and the Far East, including at the present time countries such as Malaysia.

A new development program, and following on the extremely good reputation that the Canadian industries have achieved in the vertical or short take-off field, a program at Canadair, is the CL-84 Tilt wing VTOL aircraft. The first prototype of this aircraft is due to be rolled out at Canadair on December 9th of this year. This program has been supported as a joint program between the Canadian government and Canadair.

This is one application of such an aircraft, the CL-84 as an assault transport capable of landing without runways in undeveloped areas.

Moving to engines, this is the J-79 assembly line at Orenda Engines near Malton. Orenda have, over the years, developed and produced a large number of engines for both Canadian and export applications. They developed and built the engines for our CF-100, the Canadian version of the F-86 aircraft, and more recently have been producing the J-79 for the Star Fighter or CF-104 program, and the J-85 engine for the Canadair CL-41 trainer.

Orenda also have an industrial gas turbine engine program. The engine, called the OT-4, is being produced for some requirements initiated by the United States forces for applications on navy vessels and also for industrial turbo electric generating sets.

Now, dealing with accessories. This is a view of an undercarriage. This particular one was for our Arrow program—designed and produced by Dowty near Ajax. There are two firms in Canada specializing in this field and capable of meeting any requirements domestically. These firms are, in fact, meeting export requirements in undercarriage and advanced hydraulic equipment.

Fuel controls. This particular slide shows a fuel control produced by Aviation Electric for the CF-104. A wide range of fuel pumps and fuel controls are being produced to meet domestic requirements.

Power drive equipment, York Gears Limited in Toronto. This particular set of accessories is designed and produced for the swing-tail assembly of Canadair CL-44. York Gears also produce the special high power reduction gear assemblies for the Orenda industrial turbine program.

Backing this up, we have a wide range of sources of precision castings and forgings. This slide shows an example of such parts for the automotive and aircraft engine industries produced by Thompson Products Limited.

This is an ejection seat produced by LaSalle Engineering in Montreal. This seat is produced in Canada for the F-104.

Permanent mould castings from Canadian Steel Improvement Limited. They still supply these precision components for domestic and United States requirements.

The next slide shows also complex aluminum forgings produced for the air industry by Canadian Steel Improvement Ltd.

Jarry Hydraulics in Montreal have been very successful in the penetration of the hydraulic power-survo field. They have developed and produced components for Canadian aircraft requirements and are producing components for such aircraft as the large Lockheed jet transport produced in Georgia, and are also producing similar items for aircraft such as the Northrop F-5 made in Hawthorne, California.

Dominion Rubber has established a large facility for the production of fuel cells for both Canadian and major United States programs.

Moving to ground support equipment, Terry Machinery is one of a number of suppliers covering the whole range from air conditioners, ground handling equipment, ground starting units and ground power equipment.

Mr. Golden mentioned earlier flight simulators. This is a slide showing the operator's console of a flight simulator for training on the F-104 aircraft. This simulator was developed by Canadian Aviation Electronics in Montreal and is being supplied to the Canadian services and is also supplied in substantial quantity to members of the European consortium who are operating F-104 aircraft.

This is a view of the Argus simulator for training the operational crew, pilots and also the tactical personnel in all of these functions of the Argus aircraft as it is applied to antisubmarine reconnaissance.

Moving into the electronic area, this is a solid-state power supply developed by de Havilland and supplied to the Canadian Navy.

This is a view of a crash position indicator initiated by the National Research Council and now being further developed and supplied to world markets by Leigh Instruments at Carleton Place. This slide shows the tumbling aerofoil unit mounted in the rear section of an R.C.A.F. Yukon transport.

Genaire (1961) Limited have recently moved into a new product line, the production of skis. This slide shows the size range currently in production, the smallest one being held by the young lady.

This is another view of Genaire's range of aircraft skis. Genaire are producing these with approximately a 60 per cent export volume.

This is a unit known as an airborne profile recorder. It has application in photogrammetric surveys and the survey of air routes. A number of these have been sold on the export market. It is a development of de Havilland in Toronto.

This is a view of the assembly of a number of photo reconnaissance pods designed and produced in Canada initially for the R.C.A.F. and now going into production for sale to such countries as Spain, Finland, Norway, India and Australia.

This is a view of some of the electronic components, and camera controls, which are mounted in the pod.

In the communications field this is a special ultra high frequency transceiver developed and produced by Collins Radio and applied to special ver-

sions of the F-104 aircraft used by the National Aeronautical and Space Administration in the United States for high altitude research.

This is a Collins produced ARC 552, packaged for the Canadian F-104 aircraft, being supplied by Collins Radio Company of Canada Ltd. for a large number of the European aircraft programs and currently being produced under licence from Canada in countries such as Japan for similar applications.

This is a five channel single side band communications set developed by Collins of Canada. Over 800 of these were built and sold in the international market.

One area of considerable specialization in Canada in the air industry has been in the over-all field of air navigation. This is a view of the Canadian Marconi doppler antenna. Canadian Marconi, working initially with the Defence Research Board, has developed a series of two doppler sets, one for fixed wing aircraft and one more recently for helicopters which have met with substantial international success in the United States and Europe, and which are installed on commercial aircraft in countries such as New Zealand and Australia.

This slide shows a view of one piece of electronic equipment typical of this type of advanced system. This particular one relates to their new helicopter system. This doppler system is used in aircraft to measure velocity. Measuring velocity and direction, one is able to compute, aircraft positions.

Another method is to measure aircraft acceleration in all directions and compute distance. The equipment to do this is known as an inertial system. Such a system is used in the F-104. Litton Systems produced the LN-3. The computer for this system is shown here.

The next slide shows the inertial platform itself. Litton produced this equipment for the Canadian services and currently supply a more advanced version for a United States aircraft being produced at Mcdonnell aircraft.

This is a view of a navigation system designed and produced in Canada. At the present time there are over 3,000 such sets in the international market.

This equipment is a Position and Homing Indicator. It is in production in Canada and in production under licence in Italy, France and Germany. A more advanced navigation system is shown on the next slide—This is a new version for helicopters—particularly for a tactical helicopter. This particular equipment has successfully completed trials in Germany, France, Italy, and the United States.

Heavy aircraft systems, again in the navigation field, developed in Canada. Equipment of this general type is flying in the Canadian Argus and Neptune aircraft. This particular set is currently flying in the United States government Orion aircraft for an evaluation on their advanced programs.

This is tank navigation equipment developed for the Canadian army by Aviation Electric Limited in Montreal. This equipment, while initially aimed at a Canadian requirement, is showing signs of becoming a major export product for Europe and for United States applications.

An airborne digital computer. We have the capability to develop equipment in this field and this type of system is now being installed in advanced aircraft for evaluation in this country.

Types of displays. This particular system, a map display system, has been evaluated in England and is being flown next month in France. A version of this is under evaluation in the United States for one of their Marine Corps programs. This is another view of this equipment. It enables the pilot to fly anywhere within a 2,000 nautical mile by 2000 nautical mile area and have a continuous presentation of the ground contour.

Another new type of display is called a head up display. This has become a requirement on most new aircraft, both military and commercial. This system projects information on a combining glass in front of the pilot and is valuable when operating under conditions where the pilot does not want to take his eye off the outside world to look at information in the cockpit. All the necessary information for him to safely command the aircraft are presented on the wind screen.

Another version of equipment of that type projects the information on to a plotting table and has applications in navy, army and air force systems for the European and North American markets.

Moving to the more advanced research field, in Quebec city, Canadian Armament Research and Development Establishment have done extensive work and are doing extensive work in space research, particularly in the high velocity field.

This is a view of an industrial light gas gun facility capable of firing objects at velocities in the order of 25,000, 30,000 feet per second to study the effects of that type of particle impact. This information has application to the satellite and the space vehicle design field.

This is another view of that facility showing the measuring tank and some of the specialized equipment such as flash X-ray necessary to make these observations. This type of facility has been engaged in work for the United States government and companies and aircraft firms engaged in the advanced space field.

This next slide is the Canadian Allouette satellite, a major joint program between government agencies and a number of members of the industry. As you know, this was launched approximately two years ago and is still operating satisfactorily in orbit. One of the unique features of this satellite is the stem unit originally developed by the National Research Council and produced by De Havilland Aircraft. That box being held is capable of producing 75 feet of self-supporting antennae and retracting the antennae after use. There are a number of these systems currently in orbit as the result of launchings from the space agencies in the U.S.A.

This is a view of an infra-red fuse. There are a number of firms in Canada qualified in infra-red technology and one of the members of the industry is undertaking a major program for the United States.

Another combined program is the Black Brant sounding rocket initially developed by Canadian Armament Research and Development Establishment and currently being tested at Fort Churchill. It is a combined program carried on by Canadair and Bristol Aero-Jet in Winnipeg.

This is the Canadair CL-89 reconnaissance drone. Its application is to be able to automatically fly a controlled path, record photographically what it has passed, and return back to the launch point to provide this information for interpretation. This is a jointly supported program between Britain, the United States and Canada. This next slide shows the Canadair Dyna Track articulated vehicle being developed for the U.S. Army.

This is a view of the new Canadian Navy hydrofoil. In this instance, deHavilland are the prime contractors. There are shipyards involved and a number of firms in the industry are supplying equipment varying from propulsion to on-board tactical systems. The program has been under way in its preliminary phases for approximately one year.

Finally, this is a view of the Argus aircraft. This aircraft has been and is highly successful in its anti-submarine role. Both aircraft equipment and on-board tactical equipment were developed in Canada. I might indicate to you

that the Canadian industry has achieved quite a substantial position as a member of the specialist teams working in the anti-submarine area within the western world.

Thank you very much.

Mr. PLANT: We have endeavoured to give you a broad description of the extent of the Canadian aerospace industry. In making a presentation of this kind there is a tendency for anyone of us in the industry to use words and terms which we are completely familiar with, which I might refer to as our own jargon. In case there are any of these terms which leave you mystified, we would be pleased to endeavour to explain it to you. We would be most happy if we could extend an invitation to the committee to visit some of the facilities in Canada so that you could see at first hand what, in fact, our industry consists of.

This is one piece of hardware I have brought along, one module of one of these radios which is in current use in the R.C.A.F. today. This is one of 13 modules which is contained in UHF radio. This was designed about 1955 and was in full production by about 1956 or 1957. There has been a further development of radios the size of this generally to the present development. If you are interested in having a look at this, I will pass it along to you. This shows a development of thin volume circuits going through various steps ending up with one module down in the corner. Two of these modules will replace this one big one.

This is the type of development that is going on in very many areas today. I endeavoured to put a covering over the corner so there would be no company affiliation or association with what I am showing you.

I think we are now at your disposal, Mr. Chairman.

The CHAIRMAN: We are now ready to proceed with questioning. Before we do, I have a Steering Subcommittee report I would like to put forth for your approval.

As you probably know, last Thursday there was a motion passed by the Committee that the President and General Manager of Canadian Commercial Corporation appear before the committee. The subcommittee's recommendation is as follows.

The subcommittee recommends that the Committee meet at 11.00 a.m. Tuesday, December 1, 1964, with the Minister of Defence Production and the president and General Manager of Canadian Commercial Corporation in attendance.

Can I have a motion of acceptance of that, please.

Mr. WINCH: Yes.

The CHAIRMAN: Agreed.

We will proceed with the questions. Before we do, could I remind the members of the committee that I have a reasonable list of questioners and I would ask you to be as quick as you can with your questions.

Mr. Winch is first.

Mr. WINCH: Mr. Chairman, I appreciate what you have just said. I had the privilege of being a member of this committee when it first formed and also had the honour of being a member of the first examination made of the Public Accounts committee a few years ago.

I have noticed, Mr. Chairman, because of the limited time we are not able almost always to complete presentations made to us. So, I wonder if yourself and the committee would allow me to perhaps introduce a new procedure and see how it works. We have now had a presentation by the Air Industries Association of Canada, and instead of asking one question, shooting a series

through. I will do it as briefly as I possibly can because I think by so doing we may get answers of the entire presentation at least in part. Have I permission to do that?

The CHAIRMAN: I think the only concern I have is that everybody has an opportunity to ask the questions that they wish to ask. So, I would suggest, Mr. Winch, that you proceed and if I, looking at the list in front of me, think I should proceed to someone else, I will ask you to await another turn.

Mr. WINCH: As speedily as possible I will try to go through this. Could I ask this. On page 1 where we are told in the last paragraph about the manufacturing; there is mention of aircraft. Could we have, on this mentioning of aircraft, an explanation of the relation of the sale of aircraft to production, related to the activities of private enterprise, as represented by all the companies, of which you have given us the names, and the governments. What is the relationship and how do you co-ordinate? That, sir, would be my first question.

My second question would be this. As you will find on page 2 in the second paragraph:

> It is not always recognized at home and abroad that Canada is one of the few countries in the western world with an aerospace industry capable of advanced research, design, development and production of complete aircraft and the associated systems.

I would like to tie that in with page 5. Under paragraph 6 it says:

> This is an industry which is based in large part on advanced technology and consequently absorbs a significant amount of research and development money.

In view of this submission and the slides which have just been shown, I would be interested in knowing if we can be, as a committee, informed on your production and sales. What is the amount, percentagewise, that your company spends on research and how much are you dependant upon government research in its various aspects?

This matter, as you know, arose in the House of Commons and in the press a few days ago.

What percentage do you spend, as private corporations, on research and how does it compare with the results of research which is done by government boards under their auspices.

If I may ask one other question.

The CHAIRMAN: I think we should try and answer as we go. For our witnesses to try and recall the questions later would be difficult.

Mr. WINCH: You would like me to stop?

The CHAIRMAN: Let the witness answer the first question.

Mr. GOLDEN: Mr. Chairman, if I can read my notes and if I understand Mr. Winch correctly, the first question is, what sort of co-ordination is there between industry and government and what is the relationship between industry and government in sales of aircraft.

The answer to that, sir, is almost as diverse as the nature of the product and the nature of the market. There are some things that can only be sold with the most active co-operation between government and industry. There are other products which industry is quite capable of selling, and does sell, on its own.

Mr. WINCH: Can you give us any relationship between what you sell on your own as compared with what you sell, outside of Canada, in co-operation with the government.

Mr. GOLDEN: If you mean a quantitative one, I cannot give you that. I want to say that there are different elements of the government involved as well. There is the trade commissioners' service of Trade and Commerce which is available to everybody. There is the Department of Defence Production which presumably concerns itself only with export promotion of defence projects and so on.

I think I would answer your question by saying that the relationship can be as varied as the type of product you are talking about. There are some products that can be best sold by private enterprise alone and there are some products only successfully sold as a result of a partnership between industry and government.

Mr. WINCH: I just asked on that one point only. It is not only my suspicion but I think my contention that some things that you sell directly as a private enterprise are included in the amounts that are reported to the House of Commons as being under defence production sale. Can you make any comment on that?

Mr. GOLDEN: Of course there are. If I understand you correctly, you are saying that the Department of Defence Production lists as sales under the production sharing program, sales which in some cases were largely, or perhaps entirely, consummated by a company. I have never pretended otherwise. I did not realize that there was any suggestion otherwise.

The second question, sir, is can we relate the statement on page 2, dealing with research and development, to the statement on page 5. How much dependence is there on research and development in government and research and development in industry, and how much do we spend. We have just received a report which was commissioned some time ago. To try to answer the last of that question, we have not had a chance to digest it as yet. These figures have not been available up to now, as an industry. I think individual companies can tell what they spend. As an over-all industry, we do not have those figures. The conclusions of this study, which was commissioned some time ago, have just been delivered to us. We have not had the time to get at them.

Mr. WINCH: Can you give us an estimate?

Mr. GOLDEN: No. We hired an outside consultant to do this.

Mr. WINCH: You have a report now?

Mr. GOLDEN: Yes. We would be glad to give you the results of the study we commissioned. It does deal with these questions.

Mr. WINCH: Within a few days?

Mr. GOLDEN: Yes. The honest frank answer to that part may sound evasive but it is not. Here, again, it is as diverse and varied as the nature of the product. Let me give you this example. Some of the products we sell were developed entirely in government laboratories; some of the products the government laboratories never had anything to do with them. Some of the products, the initial thinking came from government laboratories. Some of the products came about as a result of jointly funded efforts between government and private enterprise.

If your question deals in general with the approach to research and development, I think it would be the view of this association that this country probably does not have enough research and development in industry compared with other advanced nations.

Mr. WINCH: Can you give the committee any indication of how much, basically, all these companies are subsidized by the government? Do you pay for the government research in any way at all?

Mr. GOLDEN: Yes. I tried to indicate, sir, that there are some programs which are jointly funded and usually 50 per cent. There are some programs

which are entirely government funded. There are some programs which are entirely contractor funded.

Mr. WINCH: If it is wholly government, do you make any contributions to the government upon which you are now going to reap benefit on the production?

Mr. GOLDEN: Yes. These contracts vary very much. Usually, if it is entirely a government funded program, the rights are owned by the government, and of course it is a different relation.

Mr. WINCH: Do you pay the government because of this research of which you are taking advantage in your production?

Mr. GOLDEN: There are types of contracts where if there are sales, a proportion of the sale price is refunded to the government.

Mr. WINCH: I have one more question. I appreciate, sir, that you have allowed me to do it this way. I would like to ask one more question and it is not a smear or anything. It is something that would be of value if you can tell us.

I am very happy that you have, sir, Mr. Plant on your right.

Can you, in any way, clarify reports or suspicions—I will put it that way—that very high service personnel in the active force, be they an air vice marshal or a lieutenant general or a vice admiral, in voluntary or involuntary retirement, then go into industry of the defence production nature.

I am asking you, is that because of their high technical knowledge or is there some basis that because of their active service contacts that it will be of advantage to a company? I am putting it as bluntly as I can and as honestly as I can because I think an answer will mean a lot in view of certain reports that I have read and I know you have too. I would like to have this answer if I could.

Mr. PLANT: If I may, I can only answer this on a personal basis. It has really little to do with the industry per se.

As far as my own case is concerned, I joined the industry after I retired from the service. My associations with my former brother officers were more of a disadvantage, as far as promoting any sales was concerned, than an advantage.

I say this in complete and utter honesty, as I left the service as a senior officer is was dynamite for me to try and talk to anybody in national defence headquarters because I was regarded too senior to be talked to.

Why did I join a company and why do other officers of the armed forces join companies which are associated with the defence industry? Obviously, because those of us, who are now in the industry, have contacts with a great many of the senior officers of the armed forces. We know that they are going to be available. We recognize they have the kind of qualifications, of a technical or administrative nature, that we can use. I think I can say, without any fear of contradiction, that in no instance did any firm hire any officers of the armed forces with a view to having an "in".

In view of having an association which is a start, to be able to introduce people, nobody could say that this is not so.

Mr. WINCH: Is this, what the committee is now being told, correct in all these companies? By the way, you know and we know the number of retired active service personnel who are now in these various companies as directors, vice presidents and general managers. Would you say, sir, to this committee that it is not because of their previous contacts to assist the company. If it is correct, what we have been just told—that it is an obstacle to meet with those you were previously in contact with—why do you hire them? That is just exactly the way the question is noted.

Mr. PLANT: I think you will appreciate that it is quite impossible for me to answer the questions pertaining to employment of other people in other companies. I left it on the purely personal basis. If it was a disadvantage from this point of view, why in the world would I be hired by the company concerned?

Mr. WINCH: Because you told me it was a disadvantage.

Mr. PLANT: It is a disadvantage, if this was what I was hired for, to act as sales—

Mr. WINCH: I am awfully sorry. I did not want it that way.

The CHAIRMAN: I think it would be better if you let him finish.

Mr. STEVENSON: Being a member of this organization who has not served in the armed forces, I think it is generally true when going through the roster of managers, officers and directors of the companies on that list that there are not a significant number of senior military officers in that list. Air Vice Marshal Plant happens to be the exception.

Mr. WINCH: Are you saying in an executive position?

Mr. STEVENSON: Yes.

Mr. WINCH: Would you produce that.

Mr. LLOYD: Mr. Winch, I think in all fairness to Mr. Plant he should complete his statement and then the generalities could be continued with.

Mr. SMITH: Is it not the case of a shoemaker sticking to his last? These are things he knows best. Is not that the answer really?

The CHAIRMAN: I believe this is the answer that has been given, Mr. Smith, by Mr. Plant indicating that because of the skills and so on acquired in the service.

Mr. PLANT: I served 25 years in the Royal Canadian Air Force, the last 10 and some extra in the supply and logistics. Therefore, I would say that the best thing I would be qualified for would be something in that line.

The question I thought Mr. Winch framed was with a—

Mr. WINCH: It was not framed to you.

Mr. PLANT: Whether there was something other than the technical knowledge of the individual that influenced—I think I can say in honesty that that is generally not true with senior officers I know of.

The CHAIRMAN: I think we have probaby explored that area beyond anything that the witnesses could add.

Because of the number of committee meetings and we have only one shorthand reporter, I think we should have a recess for a few minutes.

Recess.

The CHAIRMAN: Could we come to order, please. Before we proceed with our questioning I would like to say that I still have a large number of people who would like to ask questions. It is now 25 minutes past 12. The witnesses would be available this afternoon. I would suggest that we maybe proceed until a quarter to one. Those who still wish to ask questions should come back this afternoon. I know this poses a conflict with other commitments.

Mr. WINCH: This is a most important subject and I suggest we come back this afternoon.

The CHAIRMAN: Let us see how far we get. If the people asking questions try to be as brief as possible, it would be helpful. I realize this is an area which does require a certain amount of exploration.

I have on my list Mr. Harkness, Mr. Smith, Mr. Temple and Mr. McMillan and Mr. Lessard. Mr. Harkness would you continue.

Mr. HARKNESS: I was interested and quite impressed and delighted to see the impressive increase in exports in the first half of 1964. Are there any particular reasons for that 136 per cent increase over the same period of 1963? Also, as part of the reasons, are there one or two three types of aircraft or particular types of equipment that have been responsible for the increase?

Mr. GOLDEN: I think a good proportion of the increase can be accounted for in the heavy deliveries of several large contracts entered into earlier. Yes, I think this is so.

Mr. HARKNESS: What particular equipment or contracts are they?

Mr. GOLDEN: I would think F-104 export deliveries and the Caribou export deliveries would be the two major reasons for the increase.

Mr. HARKNESS: I was wondering if the F-104 particularly was responsible, to a considerable extent, for the remarkable increase?

Mr. GOLDEN: I think in a large measure.

Mr. HARKNESS: You would not expect to have this repeated?

Mr. GOLDEN: I think we would put it in reverse. If you want to export a lot, the orders have to be placed a considerable period in advance and we are now reaping the advantages of orders placed earlier.

Mr. HARKNESS: Until there is another contract of that kind, you would anticipate some reduction in recent export?

Mr. GOLDEN: Yes, I think that is probably it.

Mr. HARKNESS: On page 7 you say:

> Most exports are generated after the product has received domestic acceptance.

Could you give us some examples of that?

Mr. GOLDEN: Well, I think the classic example relates to the major systems. The decision by the Royal Canadian Air Force to buy the F-104—it was only as a result of that that it was then possible to have a joint Canadian/American arrangement to ship the F-104 abroad. The decision to build the F-104 simulator—Canadian Aviation Electronics in Montreal thereby opened up the opportunity which was seized upon and successfully concluded to deliver those simulators to all of the European members of the consortium.

The Caribou is another example where there was joint assistance to the company which then made it possible for substantial export orders to be met. The Litton navigation system, which was built in Canada for the F-104, ultimately found export orders.

Mr. HARKNESS: I would be rather doubtful that the example of the Caribou is a good one. I think this is an example of which the company managed to sell these considerable number of planes abroad before any were bought by the Canadian government at all.

Mr. GOLDEN: I would not. I was using "domestic acceptance" not only to mean buying it but also as a joint effort—there was Canadian government participation in the original building of the Caribou.

Mr. HARKNESS: What I was coming to was, without Canadian government acceptance of aircraft which can be produced in Canada, do you think you can export to any material extent?

Mr. GOLDEN: It is more difficult.

Mr. HARKNESS: You would not like to go any further than that?

Mr. GOLDEN: I would have difficulty in going any further because one can prove exceptions to what I have been saying and what you have been saying. This is certainly more difficult.

Mr. HARKNESS: I think, undoubtedly, that is the case.

In your conclusions 8(a) you say:

> A close partnership between the Canadian defence forces and industry in which the industry is permitted to help in advance planning, can serve national interests beyond those of defence alone.

To what extent do you think it is practical to have industry participate in decisions as to what type of defence equipment will be secured?

Mr. GOLDEN: I do not think that you could go that far, to participate in decisions. I think you can go a great deal further than we have so far found practical in this country, in assisting in the planning. I think there is no real role that industry can play in making the decisions. It is in the planning and in the interplay that you can get at that stage that I think, for example, the British and Americans would be better than us.

Mr. HARKNESS: What exactly do you mean by this, by participation in planning?

Mr. WINCH: Under 8 (a)?

Mr. GOLDEN: I would say that we have not yet exhausted the possibility of exchanging views between government and industry for the formulation of policy.

Mr. HARKNESS: The reason I asked is that on my own personal experience—

Mr. GOLDEN: I am giving you an answer based on my own personal experience.

Mr. HARKNESS: I do not see how this thing can be done. I do not know how it could be worked.

Mr. GOLDEN: Perhaps I can answer it this way, that it is my understanding that the British and Americans have been able to go somewhat further than we have found it advisable to do in this country without going anywhere nearly as far as participating in making decisions, which I understood you to say earlier. It is my understanding that they have been able to go further than we have found it advisable to do in this country.

The CHAIRMAN: Perhaps I might be allowed in clarification to say, in terms of discussions between industry and defence are you thinking of evening out the peaks and valleys of industry or specifics of what types of equipment should be ordered.

Mr. GOLDEN: I think in the specifics, about particular types of equipment, you are in very real trouble. There is a lot you can do before you get down to that in exchanging ideas on what the services have in mind and how this would relate to the capabilities of an industry; when you might place an order; and so on. In addition to that, a better understanding of what the long term planning is. This has disadvantages as well as advantages. You might go off and do something because you think the long term planning will go one way, and with the full consideration of all the problems it might go the other way. I will admit that it is our view that we have not gone as far as it appears that other countries have been able to do in this field.

Mr. WINCH: Exactly what do you mean by private industry—in the conclusions 8(a)—can serve national interests beyond those of defence alone?

Mr. HARKNESS: The thing I am getting at is whether or not it is practical and really a good thing, we will say, to have the aircraft industry exerting sufficient pressure through their putting forward their ideas and so on to act

as a determining feature in the type of equipment which is required for certain specific military purposes? I see a considerable damage in this.

Mr. GOLDEN: You have added one or two adjectives which are not in our brief.

Mr. HARKNESS: I want to know what you mean.

Mr. GOLDEN: That is not what we had in mind.

Mr. WINCH: Under 8(a) you have said "can serve national interest beyond those of defence alone." You have made there a definite statement. Are you prepared to back that up?

Mr. GOLDEN: Yes. Are you asking this question?

The CHAIRMAN: I believe Mr. Harkness has the floor.

Mr. HARKNESS: Thank you. I think we have gone far enough in that particular line.

There is one other question I would like to ask. To what extent have you been able to secure sales in Australia and particularly in regard to their new program of re-armament which is fairly extensive for Australia. Are there reasonable prospects of participation apart from sales of Caribou?

Mr. GOLDEN: I could not answer that.

Mr. STEVENSON: The C-41 trainer is a contender in training. Other than the Caribou that is the largest, I believe.

Mr. HARKNESS: It is still a contender?

Mr. STEVENSON: I understand so.

Mr. HARKNESS: On the basis of Prime Minister Menzies speech in the house, I thought it was not. That is one of the reasons I asked this question.

Mr. PLANT: Mr. Wooll was the leader of the mission to the far east.

Mr. HARKNESS: I thought Australia was one of the areas to which we should be able to sell more goods than we have been able to sell in the past. I thought as a result of your mission, particularly as Australia is engaged in a considerable re-armament program, the aircraft industry might get a better share than they have in the past.

Mr. WOOLL: They were greatly surprised that Canada had the depth of industry that we are talking about today. We were encouraged to acquaint ourselves with the air attache in Washington. There were two specific cases. These are things you do not find out if you do not go.

One of our companies had a simulator which was of interest to Qantas, a large Australian airline. They did not realize that this type of equipment was made available in Canada and they would have never known it if we had not shown the slides produced here today.

The safety device on the tail end of the Argus, which was shown, they were not aware of such a device. Both governments gave invitations that when their representatives went to the United States that they would travel the extra miles to come to Ottawa to see both these companies.

Further, we had Ian Fleming, who was on defence research, in Canada back in July. This was a follow-up of a visit we had with him, and he toured some of our facilities.

We, on the mission, are quite certain there is going to be more interest in Australia and New Zealand as a result of the mission.

These people are now aware of our capabilities and are willing to deal with us if the price and product is right. It is up to us to meet the requirements.

Mr. SMITH: I would gather from the presentation and what we have seen that the Canadian air industry is perhaps supplementary or complementary to the United States, that there are a great deal of components, and many are of American origin and related to American built.

Mr. GOLDEN: That is one aspect of the situation. It is not the whole story. But certainly it is true. It is one aspect of it.

Mr. SMITH: It seems that air industries in Canada have taken a turn and no longer are trying to produce the prestige weapons that have acceptance in another country. They are rather producing equipment that is perhaps—I do not mean prestige in the sense of quality but the type where our national pride is involved and limiting their field to what is more suitable for a country the size of Canada.

Mr. GOLDEN: I do not think that is a decision that industry makes. That is very largely a decision which government makes.

Mr. SMITH: It would seem to have been made in some because I do not notice that we are producing—I do not like the use of the word Arrows.

Mr. GOLDEN: I gave the answer. Private companies do not build Arrows on their own. They only do it when they get contracts from government departments.

Mr. SMITH: You speak of a large amount of exports. A fair percentage of the exports come as a result of defence sharing and international agreements, is that right?

Mr. GOLDEN: That is so.

Mr. SMITH: Is there any way of determining what counter balancing percentage of purchases which we have been required to make from other allied countries in order to generate this dollar value of exports?

Mr. GOLDEN: We do not have any better figures than the ones published by the Department of Defence Production.

Mr. SMITH: In the research and development, I think maybe I am being inaccurate. I think a lot of the companies particularly in the electronics field are subsidiaries of American companies. For instance, Litton Industries is one that occurs to me. How is your research and development program? Is it these companies that do research? Is it tied in with the parent company, some sort of allocation of your research direction?

Mr. GOLDEN: This varies very much depending on individual companies. I think it is fair to say that many of the companies in the air industry in Canada are subsidiaries of British or American firms. That is so. I can only give you a general industry answer without getting into individual company cases which I am not competent to give or would not be proper for me to do. In general, it is my firm belief that there is no real impediment to doing research and development in Canada, as a result of foreign ownership. A significant amount of research and development is now going on in these companies.

Mr. SMITH: In research projects are they generated, generally speaking, by the military coming to you and saying, we want such and such a type of electrical equipment or something or do the individual companies think of it and go to the Department of National Defence and National Research and say we would like one of these? Which is the prime source?

Mr. GOLDEN: At the moment very litle Research and Development is generated from national defence, and the amount going to a company from D.N.D. is not important. There has been some discussion, as you know, as to whether it should start getting important again. At the moment it is not important. Historically it has been of very great importance and it may be again, but it is not at the moment.

The other part of the answer is, some of these ideas are generated by the company and some of them are generated jointly, and sometimes it is not the specific ideas, but it is a long term research and development program out of which things occur from time to time.

Mr. SMITH: Returning to exports for just a moment and relating again to the trade mission that went abroad, I would like to go back and ask one question. I suppose some of the American subsidiaries have been established in Canada directly resulting from defence sharing agreements and allocations?

Mr. GOLDEN: I would not like to speak off the cuff on that. I find it hard to remember any case of a company which was set up as a result of defence sharing. I cannot think of any company that was set up because of that.

Mr. SMITH: In the past, we have had a problem in the Department of Trade and Commerce and in other companies where the Canadian subsidiaries were forbidden—I am quite sure Mr. Golden is aware of those—to attempt to sell the product they were making in Canada if it was, in any way, in competition with the product the parent company was making in the States.

Mr. GOLDEN: We find Canadian controls quite restrictive enough. We do not need any others.

Mr. SMITH: You do not find any prohibitions from the parent company in this regard?

Mr. GOLDEN: No. The Canadian export permit situation is quite enough to cope with. I have never heard of anything else.

Mr. SMITH: The final question is, and this relates to Mr. Drury's evidence the other day, we were given a table which showed the spread, the allocation of defence spending and there was a certain amount of discussion in the committee about that. It was misleading in certain aspects because it spoke of dollars rather than of man hours. Mr. Drury said that the airplane manufacturers could easily supply man hour figures, that shipbuilders could easily supply man hour figures, but that the difficulty of getting that type of information and relating it to the impact of defence spending came from the electronic industry. I am quite sure the electronic industry forms a large part of the industry. Is that such a hard statistic to get?

Mr. PLANT: In an ordinary electronic concern manufacturing, 50 per cent of the cost includes all mark-ups and profits. Fifty per cent is represented in purchase of parts. In one equipment there are 64 parts. Those parts are made by various suppliers. It would be extremely difficult for me or any manager of any of the electronic companies to find out from suppliers what the man hours are that went into the supply of the numerous parts.

Mr. SMITH: You say it is a real practical difficulty?

Mr. PLANT: I think it would be extremely difficult to come up with anything as accurate as the aircraft manufacturers—so many man hours per pound of an airplane. It would be very difficult indeed because of the multitudinous suppliers and parts.

Mr. SMITH: That is the last question I had and it arose from the fact that you were trying to determine a more accurate method of finding out the impact of the spending on the general economy which I think can be best measured in the end by the number of man hour jobs it gives to employees somewhere.

The CHAIRMAN: Before I proceed with Mr. Temple, I think it is most unlikely that we will conclude our questioning by one o'clock and I would suggest, with the agreement of the committee that we might adjourn. It is now 10 minutes to one.

Mr. TEMPLE: Could we proceed until one?

The CHAIRMAN: Yes.

Mr. TEMPLE: I am glad to see that the exports are up. Tell me about the domestic market, is it up as well?

Mr. GOLDEN: No. The domestic market is down.

Mr. TEMPLE: Now, on page 2 at the bottom you speak of the competitiveness in the field that you have entered up to this time. I suppose it is a question of actual dollar loss—that is one type of competition—than originality of design, the design itself, and the quality. Do we, in Canada, specialize in the originality of design and quality?

Mr. GOLDEN: Oh no. I would not make a claim like that. I do make the claim that we are genuinely and internationally competitive when you compare apples with apples and do not go off and compare apples with oranges. We do have a general capability in original design and in research and development. We are trying to point out that we are not in some of the most glamorous and most exotic aspects of the field. This is well known to the members. We do not cover the whole spectrum in those areas. We have these capabilities. We are not saying we are better than other people.

Mr. TEMPLE: I am talking of various types of components that go into it. The F-104 aircraft components are designed here in Canada. Are they a little better than the original ones designed in the United States?

Mr. GOLDEN: We must remember that the F-104 was a United States designed aircraft and not many changes were made. Some were made, but not many. Yet, it was produced in Canada. What I am prepared to say is, after pre-production costs were absorbed in this country our quality and performance in that aircraft was at least—I am putting the lowest denominator on it—as good as in the United States.

Mr. TEMPLE: I am going to talk about the fuel control pumps. Have we made modifications that we feel—

Mr. GOLDEN: I am getting out of my depth now.

Mr. PLANT: It is very difficult to deal with them as representative of the whole industry without talking about someone specifically. Let us talk of the ARC 522 radio which you saw there designated as 618WP. That is the radio designed and repackaged completely from an original design of 1955. It is a completely Canadian radio. It is not built anywhere in the United States. It is a first class piece of equipment. I use it as one example because I know it. I expect there are others. There are other pieces of equipment such as the PHI pilot indicator. It is a completely Canadian product. No one else has any device quite like it. It is made under licence elsewhere as Mr. Smith says.

Those are a couple of examples.

Mr. TEMPLE: Then we produce the 104, and we have been producing them? Can we produce them economically dollar for dollar as in the United States?

Mr. GOLDEN: Yes.

Mr. TEMPLE: Can we produce them more economically?

Mr. GOLDEN: Yes sir.

Mr. TEMPLE: How is the hydrofoil coming along? When are you expecting a prototype?

Mr. PLANT: I do not believe anyone knows.

Mr. STEVENSON: It is on schedule. We are supplying the power plants.

Mr. WINCH: Do I understand that the hydrofoil was a Canadian development—are you saying that? Of the companies we have here there is only one Canadian company which is concerned with this?

Mr. PLANT: I did not understand the question.

Mr. SMITH: He has left us too.

The CHAIRMAN: I did not hear that statement.

Mr. WINCH: I got the answer from you that there was one part that you know of, that is the engine.

The CHAIRMAN: There was only one representative amongst the witnesses who knows.

Mr. SMITH: This is being developed jointly with the Canadian navy.

Mr. HARKNESS: The defence research board has been working on this for a number of years, extending back to 10 years. It has drawn up various types of plans and has investigated hydrofoils. It came up with a specific program which was then adopted a little over two or three years ago. This is the one that is now being worked on.

Mr. TEMPLE: How many companies have the commercial version of the C-44?

Mr. GOLDEN: There are four that come to my mind, four companies. I can think of four companies, in two separate countries; but perhaps there are more.

Mr. TEMPLE: Are countries and companies still interested in purchasing the C-44?

Mr. GOLDEN: I would hope so, but I do not know the answer.

Mr. TEMPLE: That completes my questioning.

The CHAIRMAN: It is just about one o'clock. Before we recess, there are a couple of items of business.

First of all, with the statement made this morning by Mr. Golden there was a list of member companies of Air Industries Association of Canada that I think probably we should include with the report, with the permission of the committee.

Agreed.

There is one other item. At the last meeting the committee asked for some information of the breakdown of the Department of National Defence expenditures by province across the country. I now have that information and will table it now, and it will be included in the report of our last meeting.

Mr. MACLEAN: As an appendix?

(*See Appendix "A" to Issue No. 22*)

The CHAIRMAN: We agreed it would be included at the point it was referred to in the Evidence.

We will meet immediately after the orders of the day. It is rather difficult to say what time—perhaps about 3.30.

The CHAIRMAN: Gentlemen, I call the meeting to order.

Dr. McMillan is the next questioner on my list.

Mr. MCMILLAN: To what extent do imports of parts and of material enter into the production of aircraft?

Mr. GOLDEN: They play a greater or lesser role depending on the type of item you are talking about.

Canada imports almost all of its light aircraft of the kind flown by individuals. Canada imports all of its large aircraft used by T.C.A. and C.P.A. and so on.

Mr. MCMILLAN: I did not mean that; I was referring to production in Canada.

Mr. GOLDEN: Yes, there is a significant foreign content of many of the things produced in Canada.

Mr. MCMILLAN: I think you said there were 34,000 men employed in the industry. Are they pretty well employed all the time? Have they steady employment?

Mr. GOLDEN: No, this is a variable figure; it goes up and down. It has been higher and it has been lower.

Mr. McMillan: In the first six months of 1964 two or three people here have referred to the fact that the exports were up by 136 per cent to $122 million.

Mr. Golden: Yes.

Mr. McMillan: It is hard for me to arrive at that $500 million mathematically.

Mr. Golden: The exports to which I am referring are mentioned on page 4. The total value includes the very substantial exports of electronics components in our industry.

The Dominion Bureau of Statistics does not keep its figures in that way and that is why in paragraph 4 on page 4 the exports of the first six months of 1964, which represent a rise of 136 per cent over the same period of 1963, exclude electronics. The Dominion Bureau of Statistics do not keep their figures in a way that can include the electronics portion.

Mr. McMillan: That could be very considerable?

Mr. Golden: Yes.

Mr. McMillan: Would you say from your experience over the years that you have any criticism or could make any comment on the awarding of contracts with the defence procurement—

Mr. Plant: That is a pretty tough one for a former deputy minister.

Mr. McMillan: —having in mind the competitive bids of the products and so forth.

Mr. Golden: I think Mr. Stevenson's answer is the right one. Individual companies do not like it when they lose, but I do not think the industry has any complaint to make in that regard.

Mr. McMillan: You are subsidized to a certain extent in research?

Mr. Golden: Yes, sir.

Mr. McMillan: But in no other way?

Mr. Golden: We tend to think of it not as a subsidy but certainly it is a monetary contribution by the taxpayer; there is no question about that.

Mr. McNulty: It is a stimulus?

Mr. Golden: It is a stimulus, yes.

The Chairman: Mr. McNulty.

Mr. McNulty: Is membership in the Air Industries Association voluntary? Can any company who wishes to explore or work in this field join this association?

Mr. Golden: Yes.

Mr. Plant: Subject to the approval of the board of directors. It is not a dogmatic thing.

Mr. McNulty: What requirements would the board of directors demand of a new member?

Mr. Golden: We have several classifications of membership. The major classification is for companies which are actually engaged in the manufacture, repair, overhaul and maintenance of aircraft, aircraft electronics, communications, navigation equipment and so on. Then we have other classes of membership which include people who are associated with the industry. For instance, several of the oil companies which deal very extensively with the aircraft industry are associate members of the association.

Mr. McMillan: May I ask a supplementary question?

The Chairman: Dr. McMillan.

Mr. McMillan: Would the steel industry, making heat resistant steel, be eligible?

Mr. Golden: Yes, sir, and in fact several companies which are suppliers of materials to the aircraft industry are members of Air Industries Association.

Mr. McMillan: Canada Steel?

Mr. Golden: Yes, and Drummond McCall and so on.

Mr. McNulty: This is not a closed shop? Any industry having the proper qualifications and equipment and everything could request membership? For example, McKinnon Industries could request membership?

Mr. Golden: Yes, sir.

Mr. McNulty: What proportion of the member companies are United States subsidiaries or foreign subsidiaries?

Mr. Golden: I cannot answer that but I think it is common knowledge that many of the major companies in the industry are either British owned or British controlled or United States owned or controlled. I cannot go much further than that.

Mr. McNulty: Is there any impetus in the industry or the association among the membership that the endeavour should be to include more Canadian content?

Mr. Golden: This is not a matter with which, as an association, we have ever concerned ourselves. A company that qualifies under the terms of our charter and which is accepted by the directors becomes a member, and that is it.

The Chairman: Mr. Winch.

Mr. Winch: Mr. Chairman, I have three questions which I would like to put to the witnesses, but in order to ask my three questions I want to be completely fair to Mr. Golden and I would therefore ask first of all, because it is not on our record and I think it should be, whether Mr. Golden would be good enough to tell us on what basis he is submitting this brief by Air Industries Association of Canada. What is your position on that?

In the second place, what has been your business occupation this last 25 years?

Mr. Golden: I will be glad to tell you both of those things.

I am submitting this brief because I am the paid, full time president of Air Industries Association of Canada.

The last 25 years takes you back to 1939. In 1939 I was a law student at the University of Manitoba law school.

Mr. Pilon: Did you pass your exams?

Mr. Golden: Yes, sir, in 1941 I passed my exams and in the same week I enlisted in the Winnipeg Grenadiers. I was then shipped to Jamaica and then to Hong Kong. I was discharged from the army in December of 1945.

I commenced the practice of law in Winnipeg on January 1, 1946. I went to Oxford university in the fall of 1946 and came back in the summer of 1947. I resumed the practice of law at that time, and at the same time I taught law at the University of Manitoba.

In 1951 I joined the Department of Defence Production as director of the legal branch. In 1952 I became the associate general counsel of the Department of Defence Production. In 1953 I was appointed assistant deputy minister, and in 1954 on September 1, I was appointed deputy minister of defence production.

In 1962, on July 1, I resigned as deputy minister of defence production and was appointed president of Air Industries Association of Canada. I relinquished that position on July 25, 1963, on appointment as deputy minister of

industry. I resigned as deputy minister of industry on July 1, 1964, and was reappointed president of the Air Industries Association of Canada.

Mr. WINCH: Thank you very much. I think you realize the importance of this.

So your experience is in legal practice. However, you are presenting this brief to our committee as the president of Air Industries Association of Canada?

Mr. GOLDEN: Yes.

Mr. WINCH: That is the official capacity?

Mr. GOLDEN: Yes.

Mr. WINCH: I therefore, Mr. Chairman, have three questions to put to the witness.

This morning you also presented to our committee some members of Air Industries Association of Canada.

Mr. GOLDEN: That is so.

Mr. WINCH: If my addition is correct, there are 91 members of the association.

Mr. GOLDEN: That is so.

Mr. WINCH: That is correct?

Mr. GOLDEN: Yes.

Mr. WINCH: Ninety-one members?

Mr. GOLDEN: Yes, sir.

Mr. WINCH: From your knowledge as president of Air Industries Association of Canada could you tell this committee—and in particular of course, Mr. Deachman and myself—if you have any knowledge of the potentialities and capabilities of the province of British Columbia as, let us say, from the last world war when we had the Boeing aircraft and we had the production of the Beaufort guns on behalf of the United Kingdom. We did to my personal and confidential knowledge at that time a great deal of electronics works. Will you tell me if there is any basic reasoning or understanding which you can convey to this committee why of 91 members of the association there is only one from British Columbia? Are you telling me that British Columbia can only have one member?

Mr. ASSELIN (*Notre-Dame-de-Grâce*): They are very selective!

Mr. GOLDEN: I have not answered the question yet and therefore I am not telling you anything.

Mr. WINCH: I am asking you if you can tell me.

Mr. GOLDEN: All right This is a voluntary association of companies engaged in the air industries of Canada. It is not a part of the association job to deal with this matter.

If you are asking for my opinion as an individual, I am quite prepared to give it, but I have no opinion as president of Air Industries Association.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): May I ask a supplementary question?

Can the witness tell us whether he turned down any application for membership from British Columbia?

Mr. GOLDEN: No, I did not.

Mr. WINCH: In view of the fact that 2.9 per cent of all defence contracts go to British Columbia as compared to over 90 per cent to Quebec, can you give us any indication from your knowledge of the capabilities of British Columbia? Or is that an unfair question?

Mr. GOLDEN: All I know is that where the companies are located, and presumably that is why these companies get the contracts, but it is not a matter with which the association as such has concerned itself.

Mr. LAMBERT: On this point, Mr. Golden, as a former member of the Department of Defence Production can you say if you published every fortnight a list of contracts?

Mr. GOLDEN: The department did.

Mr. LAMBERT: And the department still does?

Mr. GOLDEN: And it still does.

Mr. LAMBERT: It is on the basis of home adresses that the statistics are compiled.

Mr. GOLDEN: That is so.

Mr. LAMBERT: And you will agree that those are quite misleading? For instance, every blessed gallon of fuel oil and fuel that Imperial Oil sells is either listed from Ottawa or Toronto even though it is produced out on the west coast and on the prairies.

Mr. GOLDEN: That is so.

Mr. LAMBERT: Therefore those statistics as they are compiled are often meaningless?

Mr. WINCH: Will you agree with that?

Mr. GOLDEN: The statistics I think can be very meaningless, yes.

Mr. LAMBERT: Not meaningless—misleading.

Mr. GOLDEN: Misleading, yes.

Mr. WINCH: I will now ask my second question.

Of the 91 companies which are voluntary members of the Air Industries Association of Canada I notice two, Imperial Oil Limited of Toronto, Ontario, and Shell Canada Limited, aviation department. Of all the oil companies in Canada—and there are many—there are only two here. Both of these, if my knowledge is correct and I think it is, are foreign owned. Imperial Oil is owned in the United States by Standard Oil and Shell Oil of Canada is owned in the United Kingdom and Holland and elsewhere.

May I ask what is the type of work they are doing in connection with air industries? I presume it is on aviation fuel. However, both—and I repeat, both —are completely foreign owned and they are the only two that you mention as being members of your association.

May I ask you this, Mr. Golden? The work of the members of your association must be research work or something that has a connection with aviation. In the case of the oil companies mentioned one, Imperial Oil, is owned by Standard Oil in the United States and the other, Shell Oil of Canada, is owned by companies in two or three countries of the world. On what basis are they members of your association? And what kind of work do they do?

Mr. GOLDEN: I am not familiar enough with all their operations to give you a definite answer, but as far as I know neither of them is engaged in any research which is directly related to the activities of the Air Industries Association, although they may be.

Mr. WINCH: Will you stop right there?

Mr. GOLDEN: Yes.

Mr. WINCH: You say to your knowledge there are only two of the 91 companies, and as you as president say you have no knowledge of any research that they are doing which connects them with the air industry. I then ask on what basis are they members of the Air Industries Association?

Mr. GOLDEN: They are members because they qualify under our charter as companies which are involved with air industries. They are major suppliers to major contractors, and they support the work of our association as they do the work of the many associations to which they belong.

Mr. WINCH: Can you explain how they support the work of your association if they are not, as you say, to your knowledge connected in any way with air association research or otherwise?

Mr. GOLDEN: I have forgotten now whether they are associate or affiliate members. We do have a classification—there is no reason why I should hesitate to give it to you.

Mr. WINCH: Are all these 91 members direct or associate members?

Mr. GOLDEN: There are three classifications of membership. I will tell you exactly what they are.

Imperial Oil is an affiliate member and Shell Oil is an affiliate member; and that is a classification of people who have no vote, who cannot serve on the board of directors, but who wish to associate themselves with the work of the association.

Mr. WINCH: You have no information of any research?

The CHAIRMAN: Mr. McNulty had a supplementary question.

Mr. MCNULTY: I was just wondering whether these oil companies could not be working on commercial fuel which might indirectly benefit the industry.

Mr. GOLDEN: Yes, I am not saying they do not do the most exciting and exotic research in the world. All I am saying is that I do not know of any research they are doing which I, as president of Air Industries Association of Canada, would necessarily know about. They are members of our association and they have joined with the others in the work of our association. They are affiliate members.

Mr. WINCH: You cannot tell us, as president of the association, what they are doing which has a direct connection with the air industries of Canada?

Mr. GOLDEN: Except, as I have said, as major suppliers to the aircraft industry.

Mr. WINCH: Not on research?

Mr. GOLDEN: I am not going to say they are not, but not to my personal knowledge.

Mr. WINCH: Would it be possible for this committee to ask the witness to ascertain this information?

Mr. GOLDEN: I do not think I have any status to ask them.

Mr. WINCH: You are the president.

Mr. GOLDEN: Yes, I am the president of the association but I do not have authority to question people about their private affairs in that way. I do not know, Mr. Chairman, but I will do whatever you rule.

The CHAIRMAN: I do not think we can ask Mr. Golden to inquire of a private company their activities. I have some doubts as to the relevance of the information in any event.

Mr. WINCH: Mr. Chairman, the relevance is this. We have now received this morning a most comprehensive brief from Mr. Golden, presented by him as president of the Air Industries Association of Canada, in which as president he outlines certain aspects and asks indirectly—if I may put it that way—for our support. Two of the companies are oil companies. I am asking just what is their relationship with the aircraft industry.

Mr. Chairman, I thought that would be a reasonable question.

The CHAIRMAN: I think, Mr. Winch, Mr. Golden has answered that. There are certain classes of company that are associate members of the association who are suppliers to the industry. Both of these companies I know, both from personal knowledge and from Mr. Golden's statement, supply fuel to the industry and therefore they are qualified for associate membership.

I think perhaps it might be cleared up if Mr. Golden could give us a description of the categories of membership under which they fit.

Mr. GOLDEN: I could and should, but I do not think I have it with me.

We have three classes of membership. We have ordinary industrial members, we have associate members and we have affiliate members. The two oil companies referred to by Mr. Winch are affiliate members and, as it happens, affiliate members do not have a vote and cannot sit on the board of directors.

Industrial and associate memberships are not greatly different, but the ordinary difference is than an industrial member is someone who is actually engaged in the manufacture or production of an air industry product. An associate member is one, in many cases, who is a supplier to the manufacturer.

Mr. WINCH: Mr. Chairman, may I then come to my third question? I admit this may be a rough question.

I went over the 91 companies listed in the luncheon adjournment. Am I correct, Mr. Golden, in saying that every company concerned in aircraft production is a member of your association? Am I correct in that?

Mr. GOLDEN: I do not think that is right. There is an Avian Company in Canada and they are not members of the association.

Mr. WINCH: They work on production of aircraft?

Mr. GOLDEN: As you well know, production has a technical meaning. They are building an aircraft.

Mr. WINCH: I mean the actual building of an aircraft.

Mr. GOLDEN: They are building an aircraft and they are not members of our association.

Mr. WINCH: Is every major aircraft production company a member of your association?

Mr. GOLDEN: Yes.

Mr. WINCH: Then this is my question, Mr. Chairman: I have been most disturbed—and I will put it in that way—with regard to the pattern of contracts allocated by the Department of Defence Production through the orders of the Department of National Defence. They appear to have to buy not only two aircraft or 30 aircraft or 75 aircraft but also they have to buy material supply. We have had evidence that on two Comets they had to buy $1 million worth of supplies.

Would you tell this committee whether or not it is a part of any contract in buying planes that you must buy, as part of that contract, certain amounts or a certain percentage of replacement parts? Will you give us a straight answer on that?

The CHAIRMAN: May I ask for clarification on that. When you say "must" do you mean that the buyer insists or do you mean that there is such a requirement?

Mr. WINCH: No, I am asking whether the supplying firm lays it down as a principle that if you buy a certain number of aircraft you have to buy a certain number of replacement parts.

May we have the answer to that.

Mr. GOLDEN: I am sorry, sir, I do not think I am an expert witness in this regard. I have never heard of it. There are generally accepted standards of spares which one buys when one orders aircraft or engines, but I have never heard it suggested that one must buy, nor are many vendors in a position to lay down such conditions.

Mr. WINCH: Could you tell us then, from your knowledge as president of this association, what you anticipate will be the requirement on a purchase order for a given number of planes—supplies in case of crash or otherwise.

Mr. WINCH: Could you do it on a percentage basis?

Mr. PLANT: Yes, but percentages vary, depending on whether it is intended for commercial or military use.

Mr. WINCH: I am talking about military.

Mr. PLANT: It varies between airplanes and engines.

Mr. WINCH: Well, I will wipe out the engines. Let us say on a straight aircraft itself?

Mr. STEVENSON: It is 25 to 30 per cent.

Mr. PLANT: This would include electronic equipment and test equipment, and everything else, Mr. Winch. I think that your question was, does the supplier insist that the procuring authority purchase so and so, and I think the answer could be in a flat negative.

Mr. WINCH: Fine. This is the first time I have ever got a direct answer.

Mr. PLANT: The seller, he is entirely in the hands of the company.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): The purchaser usually insists on having available a supply of spare parts. Would that not be the situation in most cases, that the purchaser requires this?

Mr. PLANT: Well, in dealing with the supplier, the purchaser establishes an organization, or a committee, which they call a spares provisioning committee and these are the users who, having regard to their experience and the advice that they get from the supplier, draw what might be called lifetime spares, two year spares, or whatever it might be. Now this is is always a matter of judgment, particularly in new equipment. Who can say whether this tube is going to burn out or whether these tires are going to stand up to ten landings or 50 landings? It is a matter of judgment.

Mr. GOLDEN: And it is also a matter of judgment as to how long the line will be in existence. If the line producing something goes down or out, of course, if you wish to keep the equipment in use over the years, you have to buy lifetime spares at the first stage.

Mr. WINCH: Mr. Chairman, I think this is the first time in this committee, or any other committee, that I have got a direct answer. You were saying, sir, that as far as the supplier is concerned they never include any demand or requirement on the purchase of replacements. Are you saying that, sir?

Mr. PLANT: Mr. Winch, when my sales people try to sell something they never put any demand on the customer in that respect.

Mr. WINCH: Then I will give give you an example of two Comets; we got $1 million of spares then. That is the order of the Department of Defence Production; it is not a requirement on the purchaser. Would you said that?

Mr. PLANT: This is a requirement presumably laid down by the user of the airplane, the air force, who then require the Department of Defence Production to procure these spares.

Mr. WINCH: You said it may go between 15 and 35 per cent. Now, does the producer of the aircraft in Canada advise the Department of National Defence,

or the Department of Defence Production what they think might be the possible required replacements in the event of a crash?

Mr. STEVENSON: Yes, they do.

Mr. WINCH: How do you base it at 15 to 35 per cent?

Mr. STEVENSON: It depends on the type of aircraft, the number, the usage and so on.

Mr. WINCH: When I say you, I am sorry, I do not mean you personally, but as the Air Industries Association do you make a recommendation to the defence department?

Mr. GOLDEN: The Air Industries Association never negotiates contracts, never deals with contracting parties, has nothing to do with individual products. It is merely a trade association. Individual companies do all the things you are speaking about.

Mr. WINCH: You are before this committee representing all these companies, so I presume that you know their basis of negotiations?

Mr. GOLDEN: As long as it is understood we tell you what we think companies do.

Mr. WINCH: In your 91 members here do you make recommendations, or do you not?

The CHAIRMAN: I wonder, Mr. Winch, if in this area we would not get better answers from the people in the Department of National Defence who actually set up the requirements for spares? They are the ones who have the whole knowledge of the whole range of spare requirements. For instance, there is not an airframe manufacturer represented here who could answer how his branch of the industry carries on.

Mr. WINCH: I am sorry, Mr. Chairman, but we now have the president and his colleagues of the industry, and they represent 91 companies, and you know, quite bluntly, I am going to get some answers from them as to who are the suppliers. We can get certain answers from the department, yes, but we may get more information today.

Mr. GOLDEN: Sir, we will answer anything you think we should answer which lies within our field of competence, but I think I must say again that we do not negotiate for contracts, nor deal with contracting departments. Any answers we have given in the last few minutes come from our own personal knowledge, and the fact that some of the gentlemen here operate companies, but the association does not deal with matters like that.

Mr. WINCH: Mr. Golden, then should we completely ignore your brief this morning, because this brief has to deal with the matter of procurement, the matter of sales, the matter of relationship of export and domestic. It has to do with every phase, so it surely must be based on your own knowledge of company operations.

The CHAIRMAN: Their brief is a brief dealing with policy for an industry as a whole, which is a vastly different thing from details of the individual members forming component parts of that industry.

Mr. WINCH: How do you separate the industry as a whole from its component parts?

Mr. PLANT: Mr. Winch, I thought I did say this morning that I am the elected representative, or the chairman of the board of the Air Industries Association and under no circumstances does this association represent as a lobby any one particular company, and Mr. Golden I think has made it very clear that under no circumstances does the industry enter into any contractual negotiations with any of the procurement authorities, be they civil or government.

Mr. WINCH: You are speaking on behalf of 91 companies.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Could we get on to the business?

Mr. LAMBERT: All this heckling is wasting time.

The CHAIRMAN: I suggest, Mr. Winch, we do have at least half a dozen other people who would like to ask questions, that we could move along.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): I would like to question Mr. Plant in French. I am sure he speaks French.

Mr. PLANT: A little.

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Plant, my questions will be quite brief.

(*Text*)

Mr. PLANT: I am very sorry. I did not hear the first part of the question.

The CHAIRMAN: How much of the $500 million is with the government?

Mr. GOLDEN: I do not think I can give that answer, because there are a number of different ways of dealing with the government. There is the prime contract and subcontract, and we do not segregate our figures in that way. The major contracts are always listed by the Department of Defence Production, and then are published regularly. We aggregate all the contracts, but include subcontracts as well, and we do not segregate our figures in that way. We try to segregate them between home and export.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): In the brief the president submitted this morning a figure of $500,000,000 is mentioned for the business turnover of all your companies in 1963. Could you tell us what percentage of that business was transacted with the government?...

Very well, there is a question I want to ask in that connection and I shall revert to it later. You are not able to give us an approximate figure? For instance, if I suggested that your companies do 50% of their business with the Canadian government would that be exaggerated?

(*Text*)

Mr. GOLDEN: My machine is not working, and my French is not good enough.

The CHAIRMAN: The question, Mr. Golden, was could you give any approximate idea? If Mr. Lessard said 50 per cent of your business was transacted with the government would that figure be too high?

Mr. GOLDEN: With the Canadian government?

Mr. LESSARD (*Lac-Saint-Jean*): Yes.

Mr. GOLDEN: Recently it is not that high; historically, perhaps, it is correct, but recently it is not that high.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): You mentioned exports a while ago. You have stated in your report, I think, that 50% of your business was in exports. With regard to the $500,000,000 of production could you give us an idea of what percentage of items were imported in that amount? For example, with regard to an aircraft produced in Canada and sold to the United States or elsewhere, what percentage of the parts would be imported and not actually produced in Canada? Would it be just part of the assembly? Could you give us a rough idea?

(*Text*)

Mr. GOLDEN: Yes, well it is easier to agree with a general proposition than to give exact figures. It is perfectly true that there is a foreign content in almost every aircraft produced, or engine, but after you agree with the general proposition, I do not know where you go from there, because it varies enormously. If you get a long production run, the foreign content is likely to be very low, if you get a short production run, the foreign content is likely to be correspondingly higher, because you have a smaller number of products against which to amortize the cost of setting up to do it, and the only answer I can give to that question is that there is such a foreign content in most of these products. It varies from a very small foreign content in some items, to a substantial one in others, and correspondingly and conversely there is a Canadian content in a large number of foreign aircraft, just as there is a foreign content in a large number of Canadian aircraft.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Then if my understanding is correct and if I relate your statement to the one Mr. Drury made last week, when the government lets contracts to a Canadian aircraft firm it is to some extent as if we were also subsidizing the American industry since, for the contracts we are going to let to the Canadian firms, we are going to pay for parts manufactured in the United States or elsewhere even though I recognize that on the rebound we make a profit on the Canadian production sold to the United States. Do you recognize that?

(*Text*)

Mr. GOLDEN: Well, I hesitate to comment on a statement of Mr. Drury's, which I have not seen, but I would say that we believe in the industry what we have said in our brief, that there is no requirement for a rigid made-in-Canada formula, which would be wasteful of both taxpayers' and private citizens' money, and it is possible to carry this through to a conclusion where everything is made in Canada, but we do not feel, as responsible citizens, this is the sort of policy we should be recommending. On the other hand, as we have said in our brief, we believe there should be a reasonable competence in the Canadian air industry, and it is true to say that when a Canadian aircraft is bought it can or may include some American parts in it, but this is not true only of aircraft, this is true of many things in Canada.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): In another connection, since these industries seem to be concentrateed in Quebec and Ontario and as you recently stated that it was favouring Quebec and Ontario could you tell us how many of your employees reside in Quebec? You have 32 establishments, the names are listed here, located in Quebec, and 53 in Ontario. Could you tell us how many employees of these establishments are employed in Quebec and in Ontario?

(*Text*)

Mr. GOLDEN: No, sir, we do not have accurate figures of the kind that you can define with great accuracy. We believe, though, it is roughly half and half Ontario and Quebec, of the portion of the industry which is in Ontario and Quebec, which is most of the industry. It is roughly half Ontario and half Quebec, as far as employment is concerned.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Now, there are some questions I want to ask you, but of course if you do not wish to answer I shall not hold it against

you. What was the total amount of profit your group of companies made in 1963? These are public figures you understand. Did your 91 companies make a considerable amount of profit in 1963? You cannot give us that information?

(*Text*)

Mr. GOLDEN: No. Well, I cannot give them. No, I would have to consider whether I had the right to give them, but I do not have them.

Mr. LESSARD (*Lac-Saint-Jean*): And I suppose that you cannot say, also, the taxes that are paid by those companies to the federal treasury.

Mr. LAMBERT: A number of these companies are private companies.

Mr. GOLDEN: Oh, yes.

Mr. LAMBERT: And therefore their earnings, and whatever they do, is no public business.

Mr. GOLDEN: A number of the companies are publicly held, and publish annual statements; a number of them are not.

Mr. LESSARD (*Lac-Saint-Jean*): So the government should not give them contracts out of public funds.

(*Translation*)

Mr. Chairman, I would like to ask one final question. To what extent are your companies under American control? Can it be said that the 91 companies operated here are partly controlled by Americans?

(*Text*)

Mr. GOLDEN: I would like to confine my reply to the specific terms in which you have put your question, and that is to say to deal only with the air industry, members of the Air Industries Association of Canada, and not in connection with industry generally, and in my experience there has not been, I am not aware of any detriment which Canada has suffered by virtue of some of these companies being owned either in the United States or the United Kingdom.

Mr. LESSARD (*Lac-Saint-Jean*): I cannot share your point of view, but I respect your right to it.

Mr. DEACHMAN: Mr. Golden, as your industry grew up, did it largely centre in the city of Montreal and the city of Toronto, as far as its factories are concerned? Is this where it is centred, or are these just head offices?

Mr. GOLDEN: No, sir, this industry is actually centred in the Toronto and Montreal area.

Mr. DEACHMAN: And we are going to find most of its employees in this industry, and most of its factories, in the Montreal and Toronto areas?

Mr. GOLDEN: Yes, sir.

Mr. DEACHMAN: What about the sub-industries you deal with? Are they closely located right in the same area?

Mr. GOLDEN: Not necessarily when you talk about materials, and so on.

Mr. DEACHMAN: Component parts?

Mr. GOLDEN: Yes, there is that tendency, yes.

The CHAIRMAN: Mr. McNulty has a supplementary.

Mr. MCNULTY: I was just wondering whether any of these member companies have branch operations, say in British Columbia, C.P.A., Bristol, and so on?

Mr. GOLDEN: Yes, I think one of the best examples is Field. I think their main office is in Toronto, but they have a facility in Calgary, and something in Vancouver.

Mr. DEACHMAN: But this is not a major part of it.

Mr. GOLDEN: No.

Mr. DEACHMAN: The question I want to ask surrounding that first question then is this: Has the government at any time dealt with your industry on the question of the dispersal of that industry? Is there any danger involved in having virtually the whole of this industry heavily concentrated in two cities, and has the wisdom of dispersal been discussed with the industry by the government?

Mr. GOLDEN: Not since I have become associated with the Air Industries Association. The question has not been raised with us as an association in the time I have been with the association.

Mr. PLANT: There has been in the past a policy with respect to repair and overhaul, whereby other than the prime contractor would do it. Repair and overhaul would be done by other than the supplier. In the event of strikes, or demolition of the main supplier, there would be a set of spares to enable the organization to keep functioning, and repair the equipment that had not been destroyed in the event of a bomb blast, or whatever you have.

Mr. DEACHMAN: But as far as the whole basic industry is concerned itself, the question of dispersal of this industry has never been a subject for major discussion or planning between your industry and the government?

Mr. PLANT: Not as far as I am aware.

Mr. DEACHMAN: It has been allowed to grow up in the city of Montreal, grow in the city of Toronto, and concentrate in those two major, eastern Canadian cities, without any question of the factor of dispersal coming into it?

Mr. PLANT: I think we must go back in history a bit, and see what happened. In 1939 to 1946, the industries grew in the place where the populations were; the factories were there; and the air fields were there; and after the war was over most of these industries became completely privately owned companies. The companies concerned purchased the assets, and they then became privately owned companies, struggling to get along by selling their products, or convincing the customer to buy their products.

This is the way it occurred.

Mr. DEACHMAN: But we do have a situation, however it may have grown in history. The point is that we do have a situation where today there is a lack of planning for dispersal of the industry, and it could be taken out with virtually a couple of shots.

The CHAIRMAN: You may ask a question, but you are also making a statement along with your question.

Mr. DEACHMAN: Let me go on to another area then. What about labour in the Toronto community and in the Montreal community? What has been your experience in acquiring a skilled labour force for your industry? Have you had difficulty in drafting skilled labour into your industry and in training them?

Mr. PLANT: You have asked the question. I think the main desire of any of us who are here today is to get people who are skilled with the minimum amount of further training. I think I can say that all of us have had difficulty. But if we are talking about engineers, I would say we are having tremendous difficulty.

Mr. DEACHMAN: What about skilled technicians at the level immediately below the professional or university trained person?

Mr. STEVENSON: We have quite a difficulty getting trained people of any sort. Our company runs continuous courses in collaboration with the Quebec department of education to try to upgrade our people.

Mr. WINCH: What company is that?

Mr. STEVENSON: United Aircraft.

Mr. WINCH: You say you are not able to obtain skilled technicians?

Mr. STEVENSON: And shop people as well.

Mr. DEACHMAN: You say you have great difficulty in maintaining shop people?

Mr. STEVENSON: That is right.

Mr. DEACHMAN: When you say you have difficulty, can you describe what that difficulty is? Can you give us a roundup of what you mean by difficulty?

Mr. STEVENSON: Well, I might say that we have been running between 50 and 100 people short in our factories for over a year, and that of the applicants who come to our employment office, we can only accept one in 11.

Mr. WINCH: Do you mean machinists, electricians, or what?

Mr. STEVENSON: We use basically machinists.

Mr. DEACHMAN: Do you believe that Canada has been short of the facilities with which to train its own people for existing industry?

Mr. STEVENSON: Do you mean if the supply has been short?

Mr. DEACHMAN: Has the country been short? Are we short of the facilities with which to train workers for our own industry, and what has caused such a shortage? Is it because of the industry growing faster than our capacity to train? Or to what do you attribute this?

Mr. STEVENSON: It is both. There is a continuing increase in the skilled level required, and there has been a shortage of technical schools. But this problem is being rectified in the province of Quebec at a very high rate at the present time.

Mr. DEACHMAN: What about Ontario?

Mr. STEVENSON: We operate in the province of Quebec.

Mr. DEACHMAN: Is that because we export our men?

Mr. WOOLL: I can speak for the repair and overhaul field now. You had people employed in this industry for the 1939 to 1945 war, but when it ended they left the industry and took up work of some other type. Then when the Korean war came along, and the aircraft industry tried to obtain a group of men, those men left at the end of that incident and went to some other industry. They went into garages or factories. That is the problem. There are only two or three times when a fellow wants to make such a change. Our industry has to compete with much larger corporations, and especially in the repair and overhaul field many of the skills are more elaborate than they are in many of the manufacturing operations. I think it is fair to say that in the repair and overhaul part of our industry we too are short of people.

Mr. WINCH: What endeavour do you make as a company to hold these men with these skills in your employment?

Mr. WOOLL: It is very difficult to hold a man in the aircraft industry if the factory is going to cutback its production, and to compete with organizations of the size of General Motors and Ford. There might be a difference of as much as 30 cents an hour to our company.

Mr. WINCH: Have you ever discussed this matter with the machinists' union?

The CHAIRMAN: Mr. Deachman has the floor.

Mr. DEACHMAN: I would like to have the floor. I am merely exploring the area of labour here and the training of it. When you mention that Ford

and the major motorcar industries are competitors for the kind of people you use, are you speaking of Canadian companies? Is there a shortage in these companies as well?

Mr. PLANT: I do not know whether I can say there is a shortage in somebody else's company.

Mr. DEACHMAN: How about men going to the United States? Do your skilled labour tend to move off to the United States? Are you not in very sharp competition with them to maintain highly skilled labour?

Mr. PLANT: Fairly little. There is a bit of a gamble a man must take when he goes to the United States. To begin with he has to obtain his visa and all the rest of the things, and he has to leave his job and take a gamble and find another one when he gets there.

Mr. GOLDEN: We are affected by shortage of engineers as well.

Mr. DEACHMAN: If there were to be a surge, your industry would be hard put to it to find them in order to meet that surge?

Mr. GOLDEN: No, I do not think that is a fair statement. The industry is an extremely varied one, and the level of skilled labour is also extremely varied. There are many significant parts of our industry which could increase their production substantially without running into a skilled labour problem at all.

Mr. DEACHMAN: Does this involve a lack of from 50 to 100 men in your establishment?

Mr. GOLDEN: Mr. Stevenson manufactures engines, which require many types of skills.

Mr. DEACHMAN: If there were a surge in the aircraft engine business, would you be hard put?

Mr. STEVENSON: We are in and out.

Mr. DEACHMAN: Do you think you could meet the labour requirements in that field right now?

Mr. STEVENSON: It means an undue amount of overtime, but corrective measures are being taken in the province of Quebec with their technical school programs.

Mr. WINCH: Do you operate your own training system?

Mr. STEVENSON: No. We use the schools, and we put our own instructors in as well.

Mr. LLOYD: I was not present at the beginning of the questioning today. Did you place on the record a general statement of the services that you render to your members? If not, would you care to do so?

Mr. GOLDEN: Yes. We are a trade association which is interested in furthering the interests of the air industry component of secondary manufacturing in Canada. We are not concerned with the individual fortunes of companies which belong to the association. We are interested in the advancement of the air industry field in general

Mr. LLOYD: What methods do you employ to bring about this aim?

Mr. GOLDEN: We do a number of things both internally as well as externally. Internally we have a number of committees which meet and exchange views and ideas among themselves.

Mr. LLOYD: They exchange ideas about what?

Mr. GOLDEN: We have committees which concern themselves with research and development, for instance, with export promotion and so on. Then externally

we are interested in presenting the story of what we believe to be the importance of this industry, and of the role it plays in the economy of the country, and as a support to the Canadian armed forces.

Mr. LLOYD: One of the witnesses replying to a question a few moments ago indicated that there were some ups and downs in this industry over the years. I suppose you do concern yourself to see if measures might not be taken to stabilize it? Is this a big problem today?

Mr. GOLDEN: Yes, sir, it is a problem in an industry like this which, although it is trying very hard to diversify, still finds that a significant proportion of its efforts relate either to the Canadian armed forces or to the armed forces of our allies.

Mr. WINCH: What is the percentage?

Mr. LLOYD: A term has been used to describe the current efforts of the Department of Defence Production. The term I refer to is rationalization of the air industry. Can you give us your appraisal of what is meant by such a term as it is applied today?

Mr. GOLDEN: The only thing I think of when somebody speaks of rationalization is putting somebody out of business. It may be that there are other connotations of that term, but if there are, I do not know what they are.

Mr. LLOYD: So the way this term is used you do not know what it means.

Mr. GOLDEN: I want to be fair. I think that rationalization usually means fewer companies than there were before rationalization started. But I have no jurisdiction in that regard.

Mr. LLOYD: I asked you the question because I thought you had very close affiliation with the department, in looking after the point of view of the industry's side, and that perhaps there was an obvious need to reduce the capacity and size of aircraft production.

Mr. GOLDEN: No, I am not of that view. I do not think there is any obvious necessity to reduce the development of the aircraft industry in Canada at all.

Mr LLOYD: When you say there are prospects for increased volume of activity in the non-military sector, what do you mean?

Mr. GOLDEN: Yes, I think there are prospects for increased activity in the non-military sector. This has come about quite recently and I think it will continue to be the case, provided there is a base on which to build. It is very difficult to build without a base.

Mr. LLOYD: So your air industry association has a direct interest in the volume of military production that it has?

Mr. GOLDEN: That is so.

Mr. LLOYD: And you realize that the defence dollar provides the base for your industry substantially.

Mr. GOLDEN: This is so in a very large measure, yes. Every Canadian defence dollar, or the defence dollars of a number of our allies have this effect.

Mr. LLOYD: So next then you would be concerned with respect to the program of contracts and negotiation, and also you have already made it clear that you would encourage contracts. I presume your association provides an opportunity for your members to review contract negotiation procedures.

Mr. GOLDEN: Yes.

Mr. LLOYD: Have you had any reason recently to be concerned about any changes in direction in this field?

Mr. GOLDEN: I cannot answer that because I have only recently returned to the association. I do not think that since I have come back I have known of my own knowledge, or have been concerned with any changes in contract procedures, but that does not mean that they may not be going on. I do not know.

Mr. LLOYD: Well, the minister replied to a question at a previous meeting and indicated that it was the policy of the department to emphasize defence production to meet the needs of the defence dollar, and it was not concerned necessarily with the welfare of your members.

Mr. GOLDEN: We are quite agreeable to that.

Mr. LLOYD: That leads to the next question which has to do with the increasing practice to call as much as possible for competitive tenders. I was wondering whether or not this emphasis on policy had in any way brought new problems for your industry as a whole.

Mr. GOLDEN: I am sorry. I did not realize the point to which you are referring, that this was such a recent policy calling for these competitive tenders. I do not know if as an association we have ever objected to it.

Mr. LLOYD: I do not want to take up too much time of the committee, but I do have some evidence in that connection. I do not want to be accused of being parochial in this matter. I was just trying to find out the general viewpoint which your association held.

Mr. GOLDEN: I am not trying to be evasive. It is quite possible for a company to be a member of our association and still to make very violent objection to some government policy, and still not tell me about it.

Mr. LLOYD: I take it you do not have any criticism to make today of the present general practice of contract negotiations and tendering?

Mr. PLANT: I think that is rather a difficult question for us to answer, Mr. Lloyd. We do have a committee on contract administration which does meet with officials of the Department of Defence Production from time to time to make representations pertinent to certain aspects of the present rules and regulations with which our companies do not agree.

Mr. LLOYD: You do have activity in that field. I think that was your answer before.

Mr. PLANT: Yes.

Mr. LLOYD: What I was trying to find out was whether there were any particular procedures now which have caused your membership any concern.

Mr. PLANT: There are quite a number of things on which I could hold forth if I were speaking in a private capacity, but not as a member of the aircraft association.

Mr. LLOYD: In other words, if there was competition between them, there might be differences of opinion as to procedure.

Mr. PLANT: No, I did not mean any criticism of the administration of the Department of Defence Production which it would be appropriate to make here, but we do have committees which meet privately with the departmental heads, to make representations.

Mr. LLOYD: I accept your first explanation. It was rather a complicated matter, I admit. But do you not feel that you should bring this to the attention of the committee? If there are any contract or procedural problems, do you not think they should be brought to our attention?

Mr. PLANT: I think I would say to that question that we are not prepared to do any pleading before this committee about the manner in which we are treated by the Department of Defence Production.

Mr. LLOYD: We would like to think that the work of this committee is to get as much general illumination as possible on the basis of the defence department, on its policy, and on the procedures followed, and we give an opportunity to people like yourselves to express yourselves on the effect or the impact of any policy. But you say you do not have anything to add today?

The CHAIRMAN: I think it is up to the witness if he wants to say something or not. You may ask him once more, and then I think we should move on to something else.

Mr. LLOYD: I think this pretty well establishes it that they have nothing to offer by way of criticism of the present policy.

Mr. WINCH: I have a supplementary question.

Mr. PLANT: As far as contracts are concerned, I would like to say that the profits which are allowed are inadequate. I think I can say that for the whole industry, right across the board.

Mr. LLOYD: Do you mean this seriously?

Mr. PLANT: Yes.

Mr. LLOYD: Why do you say that they are inadequate? For what purpose are they inadequate? Do you mean inadequate for the investment, or inadequate for capital formation? Are you really serious about it?

Mr. PLANT: Yes.

Mr. LLOYD: If there were a larger opportunity to accumulate capital in your industry, would this mean expansion of new facilities and new research facilities?

Mr. PLANT: I think it would lead to better research if there were.

Mr. LLOYD: Under the federal Income Tax Act research expenditures are allowable as a deduction to any taxpaying corporation. Now, since the advent of this kind of consent, has there been an appreciable increase in research in Canada as a result of it?

Mr. GOLDEN: Not in our industry, no, and for two reasons: because in the base year, or the year in which the policy was initiated, substantial research and development were going on in this industry. Secondly because of necessity most research and development funds must be generated from profits, and the credit is given only against profits, and profits have not been very high all these years.

Mr. LLOYD: So in your industry it has not been effective.

Mr. GOLDEN: I would not say that it has been ineffective, but it has not been very effective.

Mr. LLOYD: Though I said that was my last question may I just put one more very short question on this matter of the division of the industry?

There is new aircraft production and there have been quite a number of companies engaged in aircraft overhaul, repair and modifications.

Mr. GOLDEN: Yes, sir.

Mr. LLOYD: Has there been a change in your industry? Because of the lessening volume of new aircraft production have those who have produced new planes been looking for work in the overhaul, repair and modification field to a greater degree in the last two or three years?

Mr. GOLDEN: I would think the answer is yes. I think so, yes.

Mr. LLOYD: Then that opens up one final question on dispersal—and this is the final question.

This kind of industry was located in relation to the bases for aircraft, for example on the west coast and in Halifax.

Mr. DEACHMAN: Not on the west coast; there is none out there.

Mr. LLOYD: I presume you have no disagreement with that policy of locating overhaul and repair and modification industries close to the location of the fleets.

Mr. GOLDEN: We have no policy on this subject, period.

Mr. LLOYD: You have no views on it?

Mr. GOLDEN: That is so.

The CHAIRMAN: Mr. Lambert.

Mr. WINCH: May I have a question after everyone is through? I have a supplementary question.

The CHAIRMAN: I still have two on the list.

Mr. WINCH: I will ask it afterwards.

Mr. LAMBERT: It would appear from today's meeting that the members of your industry do not only use their sandpaper on the work benches but apparently they use it on the hides of ministers. There is a story current that the ire of two ministers has been roused by the attitude of the aircraft lobby. However, I know what this refers to and I think you gentlemen do too and I will pass to a more serious question.

In reference to paragraph eight which is really the burden of your brief and which is something on which I have had some knowledge in the past, to what degree do you feel that the aircraft industry or the air industry, as well as other industries which cater to military requirements, should be brought into preplanning or planning as you suggest in your brief? In explanation earlier you indicated that this was done to a greater degree in Britain and in the United States than it is here. To what degree do you feel this should be done here?

Mr. GOLDEN: I cannot, Mr. Lambert, give it any more specific definition than I have tried to give it this morning.

Mr. LAMBERT: I missed that meeting.

Mr. GOLDEN: We do not feel that as much has been done as could be done. We are not suggesting that we or any other association or industry can be associated with the decision making functions of parliament or administration, but we think there is room in between the present system and going so far as to say "Let's sit down and decide what we are going to do." That sort of preplanning and consideration of industry capabilities and industry capacities in the tentative thinking on the part of ministers of national defence we think can have useful results without in any way blurring the essential distinction between an industry and a government.

Every country has to work this out to take advantage of the peculiar and special ways in which their governments operate. Not every country has a department of defence and a department of defence production and so on. These things have to be done differently here. We do feel there could, however, be more confidences exchanged and more thoughts extended on these subjects both in the long term and the more intermediate or short term planning.

Mr. LAMBERT: I would like to make it clear, Mr. Golden, that I agree with your thesis. What I want to find is to what extent your suggestion goes. How far does it go? Does it involve fitting in with you a little earlier in the game the service officers who are doing, shall we say, the early thinking for weapon requirements or technical requirements?

Mr. GOLDEN: Yes, we think that government-industry briefings do offer opportunities that should be explored.

Mr. LAMBERT: It has been my thinking that perhaps the sad experience of the Bobcat might have been avoided to some degree by earlier sitting-in with the industry rather than somebody, whether army or air force, coming up and saying, "We want a plane to do this particular job, do you think you can get it?" I mean starting right away with research and development. I may be oversimplifying the situation, but it seems to me that in so far as capacity is concerned, the financing and all that goes with it, that industry could come in a lot earlier, and I am glad to see that you have made this point, because I feel that it has been one of those things that have been lacking in the past. I am not afraid, actually, of the industries coming in and sort of taking a slice of the policy making.

Mr. GOLDEN: Well, I think the point we are making is the same as the point that you have just made, and the conclusion we would draw is that if the objective is recognized as sound, surely it is not beyond the wit of man to work towards that objective, taking into account whatever special circumstances exist in the way we have divided up this type of authority in this country.

Mr. LAMBERT: That is all I have to say.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Mr. Chairman, luckily Mr. Deachman, and to some extent Mr. Lloyd, have asked the questions I wanted to ask, but Mr. Golden, perhaps you might tell me if you feel there is anything in the nature of the industry which precludes it from greater dispersal than presently exists?

Mr. GOLDEN: I should quit now, while I am ahead. Yes, if you ask me this as a businessman, is there anything that, I would not say precludes, but if there is anything that makes it difficult to disperse, indeed there is. There are very very expensive facilities already in existence in this country, at a time when it is difficult to find work to keep them all busy, and it would be a very, very costly and disruptive process indeed. I am not saying it would preclude it, but it would be a very costly process indeed to disperse, and I am sure it is not a decision which private industry by itself could make. In addition, of course, there are some industries of which we have some representatives in our association, which are only partly air industries, and they operate their air industry as an integral part of a much larger operation, for instance, the air industry part of Canadian Westinghouse, in Hamilton, and there are many other examples of that type where they operate as an integral part of a much, much larger industrial complex. This, of course, would be even more difficult.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I wonder, Mr. Golden, if you might now explain your answer to cover industry capacity to be established in the future, as opposed to that which is already existing?

Mr. GOLDEN: Well, I myself could not give any useful answer to a question like that, unless I knew what kind of industry. There is aircraft; there is engines; there is accessories; there is ground support equipment; there are communication and navigation aids; there is electronics of all sorts. They all require different reservoirs of skills; different types of plant; access to different types of raw material, subcontractors, and so on. I am just saying the obvious, but I think it is so.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Yes, it just seemed to me that the first part of your conclusion was a good one. I would think that the interests of defence might sort of be a little more served by dispersal. I also thought that in the national interests dispersal for economic planning purposes might also be advisable, and I was wondering if there was anything in the nature of the industry which would prevent close co-operation between government and industry towards this end?

Mr. GOLDEN: I would not think so, no, not in general.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): You are asking for closer co-operation in the field of planning and research and development, and holding but the carrot, so that maybe you would help the national economic interests.

Mr. GOLDEN: There is nothing inherently impossible in what you have just said.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): But do you feel that it would be an expensive process.

Mr. GOLDEN: Well, relocating existing facilities would be very expensive indeed.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): The kind of thing I was wondering was whether this kind of objection might exist. You would have to be close to component part manufacturers, for instance, in the assembly plant. That kind of thing. It seemed to me that maybe this would not be an objection.

Mr. GOLDEN: It is a factor in some cases; it sometimes tends to be overrated, but it is a factor in some cases. It is clear that where business judgment alone dictates the decision, there are an awful lot of plants of certain types that do go into the Toronto area, or the Montreal area.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I would take it, then, that the in dustry would not accept with a welcome economic planning of the kind I have indicated?

Mr. GOLDEN: Yes, I see no reason why not.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): Thank you very much, Mr. Golden.

The CHAIRMAN: I have Mr. Nulty and Mr. Winch, both of whom have been around once before.

Mr. MCNULTY: Mine have been answered.

The CHAIRMAN: Mr. Winch has one question, I think he indicated.

Mr. WINCH: Yes, Mr. Chairman, I have one question.

The CHAIRMAN: Right, we will take that one, then Mr. MacLean and Dr. McMillan.

Mr. WINCH: Mr. Chairman, I am going to say right off the bat I am a little bit troubled as to how to present my question, and I hope I will not be misunderstood in putting the question, but to me it is of such importance that I want to ask it. This is the first occasion, Mr. Chairman, that I have had the privilege of meeting Mr. Golden, and hearing his representation in his position as president of the Air Industries Association of Canada, but although the presentation, Mr. Chairman, made today by Mr. Golden as president of the Air Industries Association of Canada is my first occasion to meet him, I have heard a great deal about Mr. Golden before he came here today, and that applies to a previous honored position which he held. So, sir, this is my difficulty, but I wanted to put the question. I would like to ask Mr. Golden, because it is a matter before this committee, if Mr. Golden feels he could come before this committee after this meeting, at a future meeting perhaps next week, and explain from his knowledge, experience and responsibility as the deputy minister of defence production the relationship with the C.C.C., the Canadian Commercial Corporation, and the responsibilities, as he saw it at that time. I ask that question, sir, because from my information I have been told that if Mr. Golden were still in that job we would not have certain problems that are facing the department today.

Now, that is as nicely as I can put it. No, I will put it better, that that is what I am told, that if Mr. Golden were still there—

The CHAIRMAN: Well, first of all the question is out of order in terms of the material before us today. If Mr. Golden would like to answer it, he is of course at liberty to do so.

Mr. WINCH: It is one of the important matters before us, Mr. Chairman, this matter of the C.C.C., and Mr. Golden was the responsible deputy minister at that time.

Mr. GOLDEN: I would be happy to talk to you, Mr. Chairman, and Mr. Winch privately about this matter. I do not think I should do so at this time.

Mr. WINCH: Well, can I just say this, and I appreciate the fact that you are, but may I also add another conclusion to my question. When I leave my job I hope I have as good a reputation as you had on that job.

Mr. GOLDEN: Thank you.

Mr. MACLEAN: I have a couple of general questions: One is with regard to requirements, say for something like a tank navigational instrument. Now, this is a problem that arises. The methods by which the problem is met, are they specified by the Department of National Defence, for example, to some development contractor to produce an instrument to meet these requirements, or in some cases is the industry in a position to say that: "Oh, there is a much better way of doing this," and the industry comes up with an idea that is accepted by national defence. Now, which is the process?

Mr. GOLDEN: I think both, Mr. MacLean. There have been many cases where industry has made representations that a product is available, or can be developed, which will do thus and so, and people have been interested, both military and commercial customers. There are also other cases where the military start something, or defence research board, or one of the other labs on their behalf start something, and turn it over to industry, and there are other cases where they go direct to industry and say: "Can you do this, using this type of approach", and industry usually says: "Yes, we will be glad to have a go at it. We have this capability," and the contract is entered into. There are many different ways in which these matters do arise.

Mr. MACLEAN: And I suppose there is, at least in theory, the possibility of a further stage, where industry in working perhaps with one problem may come on what would be a neat solution for another problem, and put that up for acceptance?

Mr. GOLDEN: Yes, indeed.

Mr. MACLEAN: My other question is with regard to research and manufacturing processes, and so on, the skills that have been developed in the industry. Have they resulted in some cases in which a company may find itself competitive in the civilian field for some completely non-military product? I am thinking now of developments in the electronic industry, as an example.

Mr. GOLDEN: Oh, yes.

Mr. MACLEAN: As a result of research and development of what started to be a defence requirement has a new product come into being, and a new industry perhaps, or phase of an industry grown up in the civilian market?

Mr. GOLDEN: Yes, that is so. That is certainly so, and there are some cases where this is so to the extent of quite a major industry.

Mr. MACLEAN: Yes. Well, I think that this is a very important long range benefit that may flow from research and development.

Mr. GOLDEN: This is the point we try to make in that paragraph where we talk about the technological knowhow.

Mr. MACLEAN: Are there cases in which processes developed for defence production in the first instance are licensed to civilian companies for civilian processes, or uses?

Mr. GOLDEN: Oh, yes I think so. I think there are products which started out with no thought of anything but a military application.

Mr. MACLEAN: I would have expected that that would be the case.

Mr. GOLDEN: And I expect, also, you inevitably find as you go along, you machine something a little differently, first for military purposes because the tolerances are greater and the requirements more exact, and then you find you can continue doing that without paying any financial penalty for a commercial transaction.

Mr. MCMILLAN: You said the exports were up in the first six months of this current year, and the domestic sales were down.

Mr. GOLDEN: Yes, sir.

Mr. MCMILLAN: Do they pretty well balance?

Mr. GOLDEN: No, I would think the exports are up.

Mr. MCMILLAN: I mean is business about on a level?

Mr. GOLDEN: No, I think that today business is probably at a lower level than it was last year at this time. Oh, certainly, not probably, at a lower level over all. You have already heard from some witnesses that this is not so in some companies.

Mr. MCMILLAN: Would you say that the outlook is reasonably good?

Mr. GOLDEN: No, over all I would say that the outlook is quite uncertain at the moment, pending certain matters which have yet to be decided.

Mr. MCMILLAN: I think I am the last questioner, so I will carry on. I heard Mr. Golden give some of his autobiography. He said he attended Oxford, but he did not say he was a Rhodes scholar; and he did not tell us that his career was interrupted by being a prisoner at Hong Kong; and the reason he left his present position was that he was asked by the Prime Minister to help in setting up the Department of Industry.

I will put that in the form of a question. Is that right?

Mr. GOLDEN: I cannot deny it.

Mr. MCMILLAN: I am not accusing you of being evasive!

Mr. WINCH: Could I ask you just when you left the post of deputy minister?

Mr. GOLDEN: July 1, 1962.

The CHAIRMAN: That completes our questioning. May I on behalf of the Committee thank the witnesses for the time and trouble they have taken to come before us today, and for their presentations.

We will be meeting again next Tuesday, at eleven o'clock.

HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 24

THURSDAY, DECEMBER 3, 1964

Respecting

CANADIAN COMMERCIAL CORPORATION

WITNESS:

The Honourable C. M. Drury, Minister of Defence Production; Mr. M. H. Lamoureux, President, Canadian Commercial Corporation; and Mr. W. Harris, former Assistant General Manager of the Corporation.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21662—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),
Béchard,
Brewin,
Deachman,
Fane,
Groos,
Harkness,
Langlois,
Laniel,
Lessard (*Lac-Saint-Jean*),
Lloyd,
MacInnis,
MacLean,
MacRae,
Martineau,
Matheson,
McMillan,
McNulty,
Pilon,
Smith,
Temple,
Winch—24.

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, December 3, 1964.
(38)

The Special Committee on Defence met at 11.10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Béchard, Fane, Groos, Hahn, Harkness, Laniel, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, McMillan, Pilon, Smith, Temple and Winch—16.

In attendance: Honourable Charles M. Drury, Minister of Defence Production; Mr. G. W. Hunter, Deputy Minister of Defence Production; Mr. M. H. Lamoureux, President, Canadian Commercial Corporation; and Mr. W. Harris, former Assistant General Manager of the Corporation.

The Committee proceeded to an examination of the organization and operations of the Canadian Commercial Corporation.

Mr. Drury made a statement on these points and on related matters raised at previous meetings of this Committee.

The Minister, Mr. Lamoureux and Mr. Harris were questioned.

The Minister read, in part, and tabled Bylaw No. 7, of the Corporation, dated December 18, 1963.

Agreed,—That the said bylaw be included in the record of the Committee.

A request was made that all the bylaws of the Corporation be made available at the next meeting of the Committee.

At 1.00 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

Note—The evidence, adduced in French and translated into English, printed in this issue, was recorded by an electronic recording apparatus, pursuant to a recommendation contained in the Seventh Report of the Special Committee on Procedure and Organization, presented and concurred in, on May 20, 1964.

21662—1½

EVIDENCE

THURSDAY, December 3, 1964.

(*Text*)

The CHAIRMAN: May we please come to order; we have a quorum.

In accordance with the motion passed at our meeting of Thursday, November 19, calling for the appearance before this committee of the General Manager of the Canadian Commercial Corporation, we have Mr. Lamoureux of the Canadian Commercial Corporation here this morning.

Before we proceed with Mr. Lamoureux, Mr. Drury, the Minister of Defence Production has a statement to make. I believe copies of the statement are being handed out to members now. After the Minister's statement, we will proceed with questioning.

Mr. MARTINEAU: Are we going to proceed with questioning of the Minister, or of Mr. Lamoureux?

The CHAIRMAN: Mr. Lamoureux.

Mr. WINCH: Will Mr. Lamoureux make a statement following the minister's statement?

Hon. C. M. DRURY (*Minister, Department of Defence Production*): If I may speak for Mr. Lamoureux, having spoken to him earlier, I might say I do not think it is his intention to make a formal statement. He is here in response to a summons by the Committee to appear as a witness without, as I understand it, knowing too clearly what is the interest of the Committee.

I have produced a statement in respect of the operation of the Canadian Commercial Corporation which I thought might be helpful to members of the Committee, as an endeavour to produce in a single document the whole story.

With the indulgence of the committee, I now will read this statement.

At the committee's meetings on November 17 and 19 certain questions were discussed with regard to the integration of Canadian Commercial Corporation functions and staff into the Department of Defence Production. For convenient reference by the committee members I would like to point out that a review of current Canadian Commercial Corporation practices, activities and organization is contained in the corporation's annual report for FY 1963-64, of which copies are available here.

So far as organization is concerned, the transfer of Canadian Commercial Corporation staff to Department of Defence Production, which was completed during the first half of this year, was the last phase of a process which began when the department was formed in 1951. Since 1951 the corporation has increasingly utilized the experienced staff of the department in procurement for, and the negotiation of sales to, other governments. The Department of Defence Production has always been responsible for such international defence industrial development and production programs as Canada-U.S. defence production sharing and the related defence export sales activities. During 1962, to cope with the expanding workload related to foreign requirements, a reorganization was undertaken in Canadian Commercial Corporation to improve the services provided by the corporation and to bring about closer integration with Department of Defence Production. In 1963 the Glassco Commission report noted that the operations of the corporation were in all material respects integral to those of the department and therefore recommended that "The legal identity of Canadian Commercial Corporation be

maintained but its management and staff be provided by Department of Defence Production".

This recommendation is contained in volume 5 at page 106 of the commission's report.

In the interest of efficient management this recommendation has been implemented by the government and, with the exception of the president and his secretary, all Canadian Commercial Corporation personnel were transferred from the corporation to the civil service. The result has been the elimination of duplicate or conflicting policies, practices and procedures, and the establishment of an integrated and efficient organization to promote defence export sales, contracting, production and related services to other governments.

Mr. Winch was particularly interested in the events subsequent to my memorandum of October 28, 1963, which informed the staff of Department of Defence Production and Canadian Commercial Corporation of my intentions as I have just outlined them, with regard to the amalgamation of all aspects of defence export activity, including the Canadian Commercial Corporation aspects, into the Department of Defence Production. From that time management responsibility for all defence export activity including work done in the name of the Canadian Commercial Corporation has been assigned to the assistant deputy minister responsible for departmental defence export activity. This included the management of the Canadian Commercial Corporation, as well as the Department of Defence Production staff, to whom I pointed out that the administrative procedures associated with actual integration of Canadian Commercial Corporation personnel into the department could extend over a period of several months. In fact, as indicated in the analysis provided to the committee of Canadian Commercial Corporation employees integrated into the civil service, the actual process of bringing Canadian Commercial Corporation employees into the civil service continued will into this year. As of March 1964, there were 84 Canadian Commercial Corporation employees including the president and his secretary. As I will discuss later, the president since October 1963, has had no Canadian Commercial Corporation staff except for his own secretary, under his management. The remaining 82 employees became responsible to Department of Defence Production management. The tabulation shows the location of these employees as of November 18, 1964. As with any staff of this size, it is inevitable that, over the course of the year or so under consideration, there has been a variety of staff changes, transfers, etcetera. However, in the main as the tabulation shows, the bulk of the original Canadian Commercial Corporation staff continue to devote their abilities to functions similar to those in which they acquired experience in the earlier, less effective, Canadian Commercial Corporation organization.

During the course of my review last year of the need for more efficient organization of defence export activities, I of course discussed my intentions with the Canadian Commercial Corporation president. He had some reservations which I carefully considered. However, the importance to Canada of more effective international co-operation in defence industrial research, development and production, in comparison to organizations for this purpose evolving in the U.S. and other countries, led to my decision that the best approach in our case was integration of all the functions and appropriate personnel into the department.

With the assignment of operating management responsibility to the Department of Defence Production I assigned, for this transitional period, to the present incumbent of the president's position, now free of day-to-day operating workload, the role of defence export market adviser to the assistant deputy minister responsible for departmental defence export activity. Therefore, in this interim capacity Mr. Lamoureux has had every opportunity to make

available to the department any experience which he may have acquired since his appointment and any views which he has expressed have been given appropriate consideration.

Finally with regard to this reorganization, any such changes are bound to create reaction and temporary dislocations in old and comfortably established patterns and practices. However, it has now become evident that our new organization is shaking down into a far more effective and co-ordinated activity than the old fragmented arrangements. I am completely satisfied with the results of the transitional period to date and look forward to even increased effectiveness for the future. I, therefore, reject any suggestion that the Canadian Commercial Corporation has been brought to ruination and incompetency —quite the opposite has been achieved in a better managed organization and increased efficiency of performance.

Now I propose to turn to the questions raised at previous committee meetings, as to the legality of the integration of the Canadian Commercial Corporation staff into the department. It is essential first to emphasize that despite the transfer of its staff to Department of Defence Production, Canadian Commercial Corporation remains a corporate entity. As required by section 3(1) of the Canadian Commercial Corporation Act, Revised Statutes 1952, Chapter 35, the Corporation consists of—

> a president appointed by the governor in council and holding office during pleasure and not more than nine or less than five directors all of whom shall be appointed by the governor in council and hold office during pleasure.

Section 6(2) of the Canadian Commercial Corporation Act provides that—

> The Corporation has, under the minister, the control and supervision of the officers and servants employed under this act.

Section 4(2) of the Canadian Commercial Corporation Act provides further that—

> The corporation shall comply with any general or special direction given by the governor in council or the minister with reference to carrying out its purposes.

Under the above-mentioned provisions, Canadian Commercial Corporation has legal authority to carry out any instructions of the minister in regard to the retention or non-retention of part or all of its staff especially, as has been the case, if such instructions would result in increased efficiency in the carrying out of the purposes for which the corporation was established.

Although the Canadian Commercial Corporation Act contains ample power for the minister to give directions regarding staff and does not require him to obtain the approval of the directors of the corporation in that regard, the board of directors of Canadian Commercial Corporation, at a regularly constituted meeting held December 18, 1963, resolved that the legal entity of Canadian Commercial Corporation should be maintained and that the management and staff, with the exception of the president and his secretary, should be provided by the Department of Defence Production.

At the same meeting the directors passed bylaw No. 7, which recognized the reorganization and bylaw No. 7 was, pursuant to section 11 of the Canadian Commercial Corporation Act, approved by order in council P.C. 1964-663.

The Hon. the treasury board, in T.B. Minute 618099 of December 2, 1963, approved the change in the establishment of Department of Defence Production which was involved in the transfer to Department of Defence Production of the

Canadian Commercial Corporation staff, and the Civil Service Commission used its normal procedures in regard to the classifications of the Canadian Commercial Corporation personnel assigned to civil service positions within Department of Defence Production.

An independent opinion as to the legality of the staff transfers was sought by the president of Canadian Commercial Corporation, who wrote to the deputy attorney general on December 9, 1963. The deputy attorney general, in his reply of January 14, 1964, stated that the staff transfers were permitted by the Canadian Commercial Corporation Act, but that Canadian Commercial Corporaiton should not use its moneys to pay the remuneration of persons who had ceased to be officers and servants of the corporation. He was referring to personnel who had been transferred from Canadian Commercial Corporation to the civil service. As I indicated earlier, these personnel became civil servants within the meaning of the Civil Service Act and were paid as such.

The deputy attorney general further pointed out that the extent of the corporation's activities and its methods were subject to the direction of the responsible minister. The integration of the corporation's activities with overall defence export programs did not contravene the Canadian Commercial Corporation Act.

In conclusion, Mr. Chairman, I have studied carefully the opinions voiced in this committee as to the methods or the propriety of my department's arrangements for international defence industrial co-operation. I must say that I have found much of the criticism to be quite unfounded. Over the past few years each step in the evolution of our current organization has been taken only after careful review of our objectives and pertinent activities both domestically and abroad. I am satisfied that the final reorganization phase of integrating Canadian Commercial Corporation activities into Department of Defence Production has been:

first—in line with the concepts of modern management and organization sponsored by the Glassco Commission.

second—within my powers as the responsible minister under the governing legislation.

third—put into effect with equity to all concerned

and finally—found already to be a significant improvement over the previous organization in terms of operational efficiency and management effectiveness with real promise for continuing future achievement.

The CHAIRMAN: We are ready for questioning. I would suggest that questions concerning policy in the minister's statement be addressed to the minister, and that questions of fact concerning the reorganization be addressed either to the minister or to Mr. Lamoureux as you see fit.

Mr. MARTINEAU: Mr. Chairman, I would like to ask Mr. Lamoureux, first of all, for the information of the committee, whether he was briefed by a minister or any other official before appearing before this committee this morning.

Mr. M. H. LAMOUREUX (*President, Canadian Commercial Corporation*): I did have a meeting with the hon. Mr. Drury. At this particular time we discussed the staff and how the staff would fit into the organization of the Department of Defence Production.

Mr. MARTINEAU: Were you given any directions in respect of the answers you should give here this morning?

Mr. LAMOUREUX: No.

Mr. MARTINEAU: How long have you been president of the Canadian Commercial Corporation?

Mr. LAMOUREUX: I was appointed president of the Canadian Commercial Corporation on November 15, 1960.

Mr. MARTINEAU: For the information of the committee, would you give a succinct report of the standing of the corporation at that time with regard to its operations?

Mr. LAMOUREUX: What exactly do you mean?

Mr. MARTINEAU: What exactly was the business being carried on by the corporation at that time and the extent of the business?

Mr. LAMOUREUX: The extent of the business in this particular year ended March 31, 1961, was between $65 million and $70 million.

Mr. MARTINEAU: What has been the history of the corporation since that time?

Mr. LAMOUREUX: In 1961-62 the corporation increased sales to foreign governments quite considerably, and in 1962-63 it again increased. Until the first of November last year we were gradually increasing the volume.

Mr. MARTINEAU: To the first of November, 1963, which is the effective date of the take over, would you tell the committee the extent of the business you carried on; what was the total volume of business?

Mr. LAMOUREUX: I will have to look at some annual statements now in order to answer the question.

Mr. WINCH: May I ask a question at this point. In view of the fact that we have heard there is only a president and a secretary now officially on staff, are there any persons present in this room today who were your previous executive officers?

Mr. LAMOUREUX: I see Mr. Harris is sitting here; he was an executive officer. Mr. Harris was the assistant general manager.

Mr. WINCH: Would it assist if he came up?

Mr. MARTINEAU: It might be a good idea if he was up there to assist.

The CHAIRMAN: If it is the wish of the committee, Mr. Harris might be asked to answer questions, or assist.

Mr. WINCH: He was the assistant general manager?

Mr. LAMOUREUX: Yes, for the duration of the time I was there.

Mr. TEMPLE: Is he now with the Department of Defence Production?

Mr. LAMOUREUX: Yes, he is.

I am looking at the annual report of 1962-63. I understand that many of you have copies. You can very easily see that 1962-63 ended with a $200 million volume. Does that answer your question, Mr. Martineau?

Mr. MARTINEAU: It went from $50 million or $60 million when you took over to about $200 million.

Mr. LAMOUREUX: Yes. Actually, it was about $57 million in 1959-60, and goes up to $118 million, or somewhere in that area, in 1960-61, to $150 million in 1961-62 and to $200 million in 1962-63.

Mr. MARTINEAU: From what you have just stated is it correct to conclude that after taking over as president of this corporation you succeeded in bringing the business of the corporation, which is composed exclusively of export trade, from some $50 million or $60 million to something over $200 million?

Mr. LAMOUREUX: I must admit that this volume is composed all of export and nothing local. However, at the same time there are large programs in defence which were unfolded in these years and these defence programs were carried over to NATO and foreign countries. They purchased in Canada the type of equipment which was agreed by these large organizations.

Mr. MARTINEAU: Did you personally have a hand in drumming up trade for the corporation, and if so to what extent?

Mr. LAMOUREUX: Well, I made several trips because we were the contractual organization. I was involved in these contracts. In the board of directors meetings we discussed the type of service we would give these purchasing foreign countries.

Mr. MARTINEAU: Since November, 1963, what has been the history in respect of the volume of business transacted by the corporation; has it been increasing or declining?

Mr. LAMOUREUX: In respect of this particular period I would ask the minister to answer. I am only an adviser now. The volume of business and the way it is handled has no relation to the presidency of the corporation.

Mr. MARTINEAU: Is the business, which you as chairman of the corporation and the corporation itself was able to procure for Canadian firms, lost or is it still being carried on under another agency?

Mr. LAMOUREUX: Well, I believe some of the business that was offered actually has not generated. I admit I am not helping in this very much as I used to by visiting foreign countries and helping them by presenting a certain picture and the guarantee that the government offers through the corporation. Of course, the volume is down; there is no doubt about it. However, I feel that since the first of November last year there are qualified people here who really are on top of this particular situation. I would rather refer the question to a person who could answer it properly.

Mr. MARTINEAU: If I were to suggest to you that according to the report of this company, the business which reached a top of over $200 million in 1962-63 now is dropping at the rate of $10 million per month, would that be correct?

Mr. LAMOUREUX: If you take the volume of business that was carried out in 1962-63 in relation to what it is now, there is no doubt it has come down $10 million a month as an average.

Mr. MARTINEAU: Is that business which is lost by Canada, or is it taken up by some other agency?

Mr. LAMOUREUX: Offhand I could not tell you.

The CHAIRMAN: This is not within the scope of the responsibility of the witness. The minister is the appropriate person to answer if he would care to.

Mr. MARTINEAU: This witness now is the adviser in the department on these matters.

Mr. DRURY: Yes.

Mr. MARTINEAU: In the minister's statement on page 5, in conclusion No. 3, in speaking of the motives which have prompted the reorganization, he says:

> This has been put into effect with equity to all concerned and finally —found already to be a significant improvement over the previous organization in terms of operational efficiency and management effectiveness with real promise for continuing future achievement.

The question I would like to put to the witness is, does he agree with this statement and if so why, and if not why not?

Mr. DRURY: Mr. Chairman, I think it would be a little unfair, perhaps, of the committee to seek from an official an expression of approval or disapproval of government policy. I think it is a well established principle of our system of government that policy is the responsibility of the ministry and that the kind of advice officials give or do not give to the ministry is not an appropriate subject for questioning.

Mr. MARTINEAU: On a point of order, Mr. Chairman, first of all I think the minister's answer is out of order by raising a point of order when he does not happen to be a member of the committee.

Secondly, I am questioning the witness not on policy but on fact. This is not policy; this is a statement of fact—the fact that there is a significant improvement. It is a fact whether or not there is a signficant improvement, and whether the efficacy of the business has been improved is a matter of fact. The witness is competent to answer on that particular question. The question is absolutely relevant and pertinent.

Mr. GROOS: I wonder whether we might establish what is the competency of the witness.

Mr. WINCH: He is just the president of the Canadian Commercial Corporation; that is pretty good.

Mr. GROOS: I understand that. Perhaps the witness would tell us what has been his experience before he entered the Canadian Commercial Corporation which would establish in our minds what his experience and training was for the job.

The CHAIRMAN: I think, in terms of the point of order raised by Mr. Martineau—

Mr. MARTINEAU: I did not raise a point of order; the minister did, and he did it without any justification.

The CHAIRMAN: The witness has been asked whether he agrees with a statement in the minister's statement.

Mr. MARTINEAU: Mr. Chairman, may I resolve this point by perhaps rephrasing my question? Does the witness believe that the transfer has resulted in a significant improvement over the previous organization? This is a question of fact.

The CHAIRMAN: You are asking the witness for his opinion on this, and if the witness cares to answer, he may.

Mr. LAMOUREUX: I fully felt, while the administration of the corporation was under my guidance, that it was doing its job according to the act. It was definitely out to sell Canadian manufactured goods to foreign countries, in the defence field as well as in the commercial field. The integration of the corporation into the Department of Defence Production really struck me as quite a surprise. I felt, and I still feel, that the corporation could do an outstandingly good job in administering contracts and selling to foreign governments.

Mr. MARTINEAU: I would like to pose a question to the minister resulting from his statement. I would like to refer to the act itself, chapter 35, paragraph 4, where it states:

> The corporation is established for the following purposes:
>
> (*a*) to assist in the development of trade between Canada and other nations;
>
> (*b*) to assist persons in Canada
>
> (i) to obtain goods and commodities from outside Canada, and
>
> (ii) to dispose of goods and commodities that are available for export from Canada;

Then paragraph 5 states:

> (1) The corporation may do such things as it deems expedient for, or conducive to, the attainment of the purposes set forth in section 4;

And it gives certain specifics such as importing goods or commodities. Under the present set-up is the corporation accomplishing any of the objectives set out

by this statute of the parliament of Canada, chapter 35 of the revised statutes, at this time?

Mr. DRURY: I suggest it is; that is my statement, and it is clear. This is being more effectively accomplished than has been the case in the past where there were two separate administrations doing substantially the same thing. The corporation has been concerned principally in the defence field. If one looks at the report for 1963-64 at page 6, one will see a graph showing both the total volume of business transacted in the name of the corporation and also the source of the particular make-up of that total volume of business. There is shown a growth in total volume between the years 1959-60 of something in the order of $60 million to close to $200 million in 1962-63, declining to $150 million in 1963-64. Of this total the bulk is made up of sales in the defence products field to the United States, and is a direct reflection of the large individual programs that were in train during those years between the two countries.

Throughout the years small elements of Canadian Commercial Corporation business have been Canadian government requirements excluding external aid. As members of the committee will know, the purchasing agent in Canada for the external aid office is the Canadian Commercial Corporation. The volume of business done in this regard by the Canadian Commercial Corporation is directly and solely related to the size and scope of our external aid program; it rises and falls with this, without any activity on the part of the corporation. So far as other government and international agencies are concerned, between the years 1962-63 and 1963-64, and we hope in the current year 1964-65, there has been a quite remarkable increase in sales to foreign countries other than the United States. These sales have been the result of quite intensive and expert activity on the part of teams from the Department of Defence Production.

In the matter of sales to foreign governments of military equipment, it is necessary to establish first a requirement on the part of the foreign government which requires a quite detailed knowledge of the defence program of those countries, and, secondly, the relevance or appropriateness of what we can produce in Canada in the defence production field to satisfy those requirements; thirdly, and perhaps most important, is a selling job by equipment or technical experts who know not only the administrative consideration but also have a high technical qualification in order to discuss and negotiate with representatives of foreign governments in respect of the sale of this equipment. It is in this field principally that the Department of Defence Production under its international program branch has organized and sent abroad teams to accomplish this.

In this field we are achieving greater and greater success. In so far as the bulk of our sales to the United States through the Canadian Commercial Corporation is concerned, I think members of the committee will recognize that the selling efforts in this regard largely are carried on by, and accepted as the responsibility of, the Canadian manufacturing corporations themselves rather than the efforts of a government agency.

The government does provide through the Department of Defence Production technical advice and technical assistance for them, and further of course it provides a legal vehicle for the establishment of the Canadian Commercial Corporation through which these contracts are processed.

Mr. MARTINEAU: I thank the minister for his extensive information, but I am afraid he has not answered my question which was this: Under the act, which act has not been amended, unless I am in error—is that not correct?

Mr. WINCH: Or repealed.

Mr. MARTINEAU: Yes, or repealed, the corporation's activities are defined, and my question to the minister is this: Under the present reorganization is the corporation in effect discharging its responsibilities in carrying on operations provided for by this statute?

Mr. DRURY: The operations are to assist in the development of trade between Canada and other nations, to assist persons outside of Canada to obtain goods and commodities, and to assist persons in Canada to dispose of goods and commodities. This assistance, in my view, is assistance to persons in Canada to sell their products abroad, and it is being more effectively done, and more assistance is being provided under the present arrangement whereby the Canadian Commercial Corporation is used as the legal vehicle for the conclusion of contracts. But the actual work of both selling, negotiation, and the provision of export advice is done by people who are employees in the civil service, in the Department of Defence Production.

Mr. MARTINEAU: May I refer once again to section 5 where it states that the corporation may carry on the business of importing goods or commodities into Canada. Is the corporation as set up doing this? I am not asking you if the Department of Defence Production is doing it on behalf of the corporation, but I am asking you whether the corporation itself does carry this out?

Mr. DRURY: I think we have to distinguish between the functions which are carried out by the corporation itself with its own hands, and those it causes to be carried out on his behalf. Now, provided operations are carried out more efficiently, more effectively, by persons who have been caused by the corporation to act on its behalf, this would be the case, were the corporation doing this with its own hands, and I suggest that the requirements of section 5 are being met, as indeed they are.

Mr. MARTINEAU: Does the minister suggest that at the present time, under the present set-up, the corporation is importing goods and commodities into Canada and is exporting goods and commodities from Canada acting either as principal or as agent?

Mr. DRURY: There is very little that has been done for some time past, or that is being done now in the way of importation.

Mr. MARTINEAU: I mean the over-all operations of the corporation. The president stated that from 1960 when he took over, he brought the business up from $50 million or $60 million to over $200 million. Does the minister agree?

Mr. DRURY: It is a little difficult to say who was responsible for the increase in business.

Mr. MARTINEAU: Surely the minister will admit that this was business performed by the corporation, unless the annual statements are absolutely wrong. Is the answer to be yes or no? I would like to have a direct answer.

Mr. DRURY: The hon. gentleman is a lawyer himself.

Mr. MARTINEAU: That is not an answer.

Mr. DRURY: I think he understands perfectly clearly that a transaction carried out in the name of a corporation is the transaction of the corporation.

Mr. WINCH: That is eyewash and nonsense, surely.

Mr. MARTINEAU: I would like to pose another question, and then I will yield my place to someone else. The minister made a rather surprising statement when he said that under the present set-up the business was being carried on more efficiently than it was previously. Is it then right to conclude that 84 people were carrying on operations less efficiently than those being carried on now by two persons?

Mr. DRURY: Well, as I pointed out in my statement, these 84 people are in large part doing virtually the same kind of work that they were doing previously. But they are doing it under a different head. In some instances they are doing work in the name of the Canadian Commercial Corporation.

Mr. Martineau refers to my statement of transactions carried out in the name of the corporation as being transactions of the corporation; as a lawyer he knows that this is quite true.

Mr. MARTINEAU: I would say it was nonsense.

Mr. DRURY: He knows that it is true. The volume of business, as I think the president will agree, which was transacted in 1962-1963 in the name of the corporation was representative to a large degree of effort on the part of employees not of Canadian Commercial Corporation but of the Department of Defence Production.

Mr. MARTINEAU: Well!

Mr. DRURY: It was done on behalf of and in the name of the corporation.

Mr. MARTINEAU: Why then the necessity for 84 persons on that staff, if the operations of the corporation were being carried on by the department? Why then were 84 persons maintained on the staff of the Canadian Commercial Corporation if the minister's statement is true? How can he explain that when the corporation was acting according to the way it should operate under the statute; business was increased from $50 million or $60 million to over $200 million, but now it has dropped at the rate of $10 million a month?

Mr. DRURY: I am not sure I agree with the last statement that it has dropped at the rate of $10 million a month.

Mr. MARTINEAU: Well that is what the witness said.

Mr. DRURY: I think if you check back you will find that the witness said that he was not in a position to answer that, and I think the statement is incorrect.

Mr. MARTINEAU: Well, we can question the witness again.

Mr. DRURY: As I am trying to explain, the Canadian Commercial Corporation has indeed, ever since the Department of Defence Production began to grow in size, relied to an increasing degree on both the technical as well as the administrative support from the employees of the Department of Defence Production, until this reached the point where it was observed by the Glassco commission that there was duplication—quite large duplication—of effort by the employees of the corporation and the employees of the Department of Defence Production. With a view to eliminating this duplication the Glassco commission recommended—and quite rightly in my view—that the employees of the Canadian Commercial Corporation be transferred to the Department of Defence Production, and that the duplication be eliminated.

Mr. MARTINEAU: May I suggest to the minister, referring to his statement where he says that the transfer was within the power of the responsible minister under the governing legislation, that because of the terms of chapter 35, the Canadian Corporation Act, which has not been repealed, the minister has bypassed the express provisions of the law, and he is really doing in an indirect way what is prohibited directly by the statute, and he is in fact robbing the corporation of any of its effective powers under the act.

Mr. DRURY: Well, of course, the hon. member is making a statement which I cannot accept. What has been done is an improvement in efficiency as recommended by the Glassco commission on the grounds of administrative efficiency, and in the opinion of the deputy attorney general it is within the powers of the minister, and it is not an attempt to do indirectly what cannot be done directly. So I do feel that fairly substantial opinion is against the hon. member both on the administrative side as well as on the legal side. He may take issue with the deputy attorney general. It is his right to do so.

Mr. MARTINEAU: I am taking issue with the minister, because the minister is the one who is responsible for the action proposed.

Mr. DRURY: I am just supporting, with the opinion of the deputy attorney general, the legality of what has been done.

The CHAIRMAN: Does that complete your questioning?

Mr. MARTINEAU: I have one final question. Does the minister intend to regularize the situation. Does he intend to bring forth legislation repealing the act?

Mr. DRURY: There clearly is a case to be made for a modification of the present act. There is a place at the present time within the framework of encouraging the export from Canada of goods and commodities particularly in the defence equipment field, and for the continuing assistance of C.C.C. as a vehicle through which these transactions can be channelled, and to this extent the Canadian Commercial Corporation is of course needed.

Now, there are provided in the present act a number of fairly broad powers conferred upon the corporation; these are permissive powers which the hon. gentleman will know; they are permissive powers which are not at the moment being employed. The fact that the government is not employing all the permissive powers contained in the act does not make that act wrong, nor the activities of the government wrong. These powers are permissive. The mandatory sections of the act are being and have been scrupulously followed.

Mr. WINCH: Are you referring to sections 4 and 5?

Mr. DRURY: Section 4 is being followed, yes; section 5, Mr. Winch, starts out in its first sentence: "The corporation may do such things—it may carry on the business"; these are both permissive enactments.

Mr. MARTINEAU: Did the minister consult with the chairman before the reorganization?

Mr. DRURY: Yes.

Mr. MARTINEAU: Did he get his opinion on it? Was he in favour of it or against it?

Mr. DRURY: I do not think it is proper for me to tell the committee what the views of the chairman were in relation to government policy. It is unfair I think, as the hon. member well knows, to seek to ascertain what the views of officials are, and the kind of advice they give in relation to the formulation of government policy.

Mr. MACRAE: Is it not up to the Chairman of this committee to decide what is and what is not fair, and what should be answered or not answered? Would the Chairman please rule on it?

The CHAIRMAN: Yes, it has been our practice in the past to have officials of various departments. I am thinking particularly of the heads of the Services who were here along with the Minister of National Defence; and it was our practice at that time, and I think we should follow it, that when we have these officials before us as witnesses, that they would deal with matters of fact, and not be asked to comment on the policy under which they were working. In other words, policy decisions are the responsibility of the ministry.

This has been the practice we have followed, and it is the practice which I think we should follow, so that, subject to a decision of the committee to the contrary, I rule that the officials should not be asked to comment on policy directives which they are given. I want to ask Mr. Martineau if he is finished, because he has had the floor for a long time.

Mr. MARTINEAU: I yield, with the understanding that I may come back to this question later.

The CHAIRMAN: Very well. Now, Mr. Winch.

Mr. WINCH: I only have 14 questions.

The CHAIRMAN: I hope they can average two minutes each.

Mr. WINCH: I shall not ask all 14 now, but I hope that we may convene again, because I do have 14 questions to ask. However, at the moment I shall

ask only two or three. I would draw the attention of the minister to what he said in his presentation, at the middle of page 3, as follows:

> I, therefore, reject any suggestion that the Canadian Commercial Corporation has been brought to ruination and incompetency—quite the opposite has been achieved in a better managed organization and increased efficiency of performance.

I refer to the words "ruination" and "incompetency", which of course are my own words of two weeks ago. Following Mr. Martineau's question I would like to ask the minister just two questions. First, are you saying that since the Canadian Commercial Corporation was set up in 1946 until now that it has been disorganized and efficient in its almost 20 years of operation? Are you saying that?

Mr. DRURY: Disorganized and efficient? No, I am not suggesting that. What I am suggesting is that another instrument has been created and gradually grown up which can more effectively accomplish the purposes for which the Canadian Commercial Corporation was first created, and that over this period of time there has been evolution of the framework of defence procurement and defence transactions and the growth of effectiveness, and growth in size has taken place ever since this establishment in the Department of Defence Production rather than in the Canadian Commercial Corporation.

Mr. WINCH: All right, not being a lawyer, I can put a direct question to you, not an involved one. In view of what you say, that the opposite has been achieved in better organization and in increased efficiency of operation, I ask you this question. If you believe this—and you must, because you have put it down in writing—then why have you not brought in an amendment to the Canadian Commercial Corporation act or moved that it be deleted? If you believe this, why have you not done this?

Mr. DRURY: As I pointed out to Mr. Martineau, we have a continuing need for the Canadian Commercial Corporation through which foreign governments may contract with Canadian suppliers, and for it to act as their agents.

Mr. WINCH: Thank you, because you have now given me a statement which allows we to ask a direct question of the president of the corporation. I would like to refer the president of the corporation to page I of the minister's statement in the last paragraph, where he says:

> In the interest of efficient management this recommendation has been implemented by the government and, with the exception of the president and his secretary, all Canadian Commercial Corporation personnel were transferred from the corporation to the civil service.

I would now like to refer you to page 2, in the first paragraph where it is said:

> From that time management responsibility for all defence export activity including work done in the name of the Canadian Commercial Corporation has been assigned to the assistant deputy minister responsible for departmental defence export activity. This included the management of the Canadian Commercial Corporation, as well as the Department of Defence Production staff, to whom I pointed out that the administrative procedures associated with actual integration of Canadian Commercial Corporation personnel into the department could extend over a period of several months.

This leads me to a direct question of the president of the corporation. With yourself as president, and with a staff consisting of a secretary, will you please tell this committee what your job is in the Canadian Commercial Corporation?

Mr. LAMOUREUX: Well, actually since November 1, 1963, until now it was well and clearly stated in a letter sent to me by the minister that I should be an advisor to an assistant deputy minister of the Department of Defence Production. I was requested to make a report, which I have done. I have received people who visited me from various companies, large and small, who had problems, and I actually sent them or referred them to the director of the appropriate branch in the Department of Defence Production concerned with their problems; and sometimes I even called the director and arranged an appointment. I also, in the course of conversation with the assistant deputy minister, I put forward an idea whereby the Canadian Commercial Corporation could do something a little different and I worked up a report on it, and this has been my activity since November 1 of last year until now.

Mr. WINCH: I am sorry, but I do not think you understood my question. You are the President?

Mr. LAMOUREUX: Yes.

Mr. WINCH: And the only staff you have is a secretary?

Mr. LAMOUREUX: That is right.

Mr. WINCH: What are you, just a rubber stamp for recommendations made to you which, under the law, you have to sign, or they do not conform to the law?

Mr. LAMOUREUX: Well, as of November 1, 1963, I have not signed any contracts, and I have not signed any cheques. These powers were taken away from me.

Mr. WINCH: Can you tell us by what authority they were taken away from you.

Mr. LAMOUREUX: I could not say by what authority, but it was I think a letter of instructions. When I am told by an hon. minister to do something as president of this corporation, reporting to him, then I must do what I am told.

Mr. WINCH: Did you ever challenge the legality of those instructions to you?

Mr. LAMOUREUX: I did write two letters to the minister to make my views very clear to him in my own way, one on September 25, and another on September 30. As he stated just a few minutes ago, he had considered those two letters and had made a decision, and this decision I have carried out.

Mr. WINCH: May I then ask if you would refer to the middle of page 2.

Mr. LAMOUREUX: Yes, sir.

Mr. MARTINEAU: I wonder if Mr. Winch would permit a supplementary question at this time? The witness said that he no longer signed contracts on behalf of the corporation, yet the minister said that whatever business is being carried on, is being carried on by the officials of the Department of the Defence Production on behalf of the Canadian Commercial Corporation. May I ask who it is who now signs documents and contracts for the corporation?

Mr. LAMOUREUX: I do not know.

Mr. MARTINEAU: You are the head of this corporation and there are contracts and documents being signed on behalf of the corporation, yet you do not know who does it?

Mr. LAMOUREUX: I really do not know. This is very factual.

The CHAIRMAN: Now, Mr. Winch.

Mr. WINCH: I have one more question. At this stage I shall ask you as head, or as chairman, or I shall ask the minister later on, who does sign on behalf of the corporation if the president does not, because I am certain that the committee wants to know.

The CHAIRMAN: I suggest you pose the question.

Mr. WINCH: I do not want to ask all 14 questions at this time, but I am going to ask the president with reference to the middle of page 2 of the brief, where it says:

> As of March, 1964, there were 84 Canadian Commercial Corporation employees including the president and his secretary. As I will discuss later, the president since October 1963, has had no Canadian Commercial Corporation staff, except for his own secretary, under his management.

I would like to ask the president of the Canadian Commercial Corporation, if I may dare to give him that designation now, if he would please tell us where the experienced men—many of whom I understand have had almost 15 or 20 years doing responsible work in carrying on business—are today, if they are not under his control. For example, where is the man who was his assistant general manager? Is he working on this type of work, or are the others? Could he give us some information about it.

Mr. LAMOUREUX: I had an assistant, Mr. Wilfred R. Harris, who is now with the emergency supply people.

Mr. WINCH: You had?

Mr. LAMOUREUX: And I had Mr. Ralph E. Sneyd, Mr. Tom Coughlin, and several others, as a matter of fact. Of these fellows I can recall that Ralph Sneyd is now with electronics, Mr. Powell is now with aircraft, and Mr. Coughlin is now with International Programs Branch.

Mr. WINCH: Is that Mr. Harris who is sitting beside you?

Mr. LAMOUREUX: Oh yes, this is Mr. Harris.

Mr. WINCH: May I ask Mr. Harris how long he was in this department under the Canadian Commercial Corporation, what was his position, and what is he doing now? Is his experience being used by the Department of Defence Production today?

Mr. WILFRED R. HARRIS: In my present job I have no occasion to use the experience I gained in the Department of Defence Production for 23 years.

Mr. WINCH: How long an experience did you have in defence purchasing?

Mr. HARRIS: Since 1939.

Mr. WINCH: You were continuously in this department?

Mr. HARRIS: Well, I started with its predecessor, the defence purchasing board, then the war supply board, the department of munitions and supply, the department of reconstruction and supply, the Canadian Commercial Corporation, and lastly the Department of Defence Production.

Mr. WINCH: How long were you assistant general manager of the Canadian Commercial Corporation?

Mr. HARRIS: I returned to the Canadian Commercial Corporation in 1955 as assistant to the manager, and I was made assistant general manager I believe in 1961 or 1962.

Mr. WINCH: Are you in any way whatsover, with your 23 years of purchasing experience, and being assistant general manager, employed by the Department of Defence Production in the manner in which you were qualified under the Canadian Commercial Corporation or in the Department of Defence Production?

Mr. HARRIS: No. My part, of course, is quite foreign to those other activities.

Mr. DRURY: Probably I should not intervene, but I hope the witness understood the question properly. If he is saying his work is quite foreign to

the activities of the Department of Defence Production, he perhaps is in the wrong department.

Mr. WINCH: What I mean is, is his present employment foreign to his 23 years experience in purchasing and his position as assistant general manager of the Canadian Commercial Corporation. That was my question. Would you like to change your answer in any way?

Mr. HARRIS: No.

The CHAIRMAN: I think the witness replied that the work he is doing now is not related to the work he was doing in the Canadian Commercial Corporation.

Mr. WINCH: I know that other members have questions they wish to ask, so I will hold my other questions until later except for this one. Therefore, Mr. President of the Canadian Commercial Corporation, basically outside of your secretary you have no staff at all, you sign no cheques and sign no documents; you are just a figurehead.

Mr. LAMOUREUX: I would not say I am just a figurehead.

Mr. WINCH: You sign no cheques and have no staff except a secretary. What is your responsibility?

Mr. LAMOUREUX: I surely am not performing the duties of the president as stated in the act. My duties were very clear to me when I joined the corporation. The bylaws which were in effect and in force at that time were at my direction. These are exactly the responsibilities I had and I performed them to the best of my ability. Since these bylaws have been changed and since the minister has given me new orders, I am carrying out his orders.

Mr. WINCH: In view of the statement we now have from the president of the Canadian Commercial Corporation, may I ask who signs the authorization of contracts which I understand should be signed by the witness; who signs them now and by what authority?

Mr. DRURY: I think in my statement I made reference to a bylaw of the corporation. In the middle of page 4 I say:

> At the same meeting the directors passed bylaw No. 7, which recognized the reorganization and bylaw No. 7 was, pursuant to section 11 of the Canadian Commercial Corporation Act, approved by order in council P.C. 1964-663.

Bylaw No. 7 provides, with the concurrence of the board of directors, who are the signing officers on behalf of the Canadian Commercial Corporation.

Mr. WINCH: Mr. Lamoureux, do you agree to this; that is, that someone, except yourself, would have the authority to sign?

Mr. LAMOUREUX: Would you ask the question again, please?

The CHAIRMAN: You are again asking the witness whether or not he agrees with a matter of policy which has been laid down for him.

Mr. WINCH: At a directors meeting did you agree that someone other than yourself be a signing authority, and under what authority do you think you have the power to transfer your responsibility? Did you know of this bylaw?

Mr. LAMOUREUX: Yes. I was present when the bylaws were changed and I objected to the bylaws being changed. However, after a lengthy discussion I finally agreed to sign the minutes and agreed to the bylaws.

Mr. WINCH: In other words, you did agree to transfer your authority as president to somebody else?

Mr. LAMOUREUX: I was very reluctant to do so.

Mr. LESSARD (*Lac-Saint-Jean*): But he was forced.

Mr. MARTINEAU: Does the witness imply that he was forced to sign something which he did not want to sign?

The CHAIRMAN: Perhaps we should let the Minister give the information in respect of the bylaw.

Mr. DRURY: I will read it, Mr. Chairman; it is quite lengthy. This bylaw is dated the 18th day of December, 1963:

> 1. All bylaws of the corporation shall be subject to the provisions of the Canadian Commercial Corporation Act, as amended, and the definitions contained in the said act shall apply.
>
> 2. The seal, an impression of which is made in the margin hereof, is the seal of the corporation.
>
> 3. The fiscal year of the corporation shall be the twelve months ending on the 31st day of March in each year.

Perhaps I may not read it all. It relates to notices of meetings, and so on, the functions, the fact that there should be a secretary who shall be appointed by and hold office during the pleasure of the board, and so on. It mentions the comptroller of the corporation and the functions of the comptroller:

> (*b*) The comptroller shall disburse the funds of, or in the custody of, the corporation in such manner as may be requisite for the conduct of the business of the corporation, taking proper vouchers for such disbursements, and shall render to the board as may be required, an account of his transactions as comptroller and of the financial position of the corporation. He shall perform such other duties as may, from time to time, be determined by the board and subject to the direction of the board shall have, generally, control of all funds in the corporation's hands either as trustee or otherwise.

Mr. WINCH: I am sorry, sir, but what I am trying to find out—

Mr. MARTINEAU: On a point of order, the minister is referring to a bylaw and I think under our rules of procedure he should table that bylaw.

The CHAIRMAN: I believe the bylaw should be published in the transcript of todays proceedings, if that is agreeable to the committee.

Mr. WINCH: May I ask—

Mr. MARTINEAU: Just a moment. On a point of order, as we may require to consult the bylaw, would it be possible for the minister or one of his officials to have copies of the bylaw distributed at the next meeting of the committee?

Mr. DRURY: Yes.

Mr. WINCH: I did not quite follow the reading of the minutes. Where did the president of the corporation sign over his signing authority? That is the point I was after. You did not read that.

Mr. DRURY: Perhaps I had better wait until you have had an opportunity to look at this quite long document.

Mr. WINCH: You said it was in the bylaw. Would you mind reading the section where the president of the corporation transferred his signing rights?

Mr. DRURY: This bylaw provides who shall be the signing authorities on behalf of the corporation. In bylaws of this nature it is not usual to outline a transfer in the specific terms which I think Mr. Winch has suggested; it is not usual this be done. What is laid out in this bylaw No. 7 is a definition of the powers and authorities of the elements of the corporation. That bylaw follows:

BYLAW NO. 7

BEING A GENERAL BYLAW OF CANADIAN COMMERCIAL CORPORATION.

BE IT ENACTED BY THE BOARD OF CANADIAN COMMERCIAL CORPORATION, AS A BYLAW OF THE CORPORATION AS FOLLOWS:

1. All Bylaws of the Corporation shall be subject to the provisions of the Canadian Commercial Corporation Act, as amended, and the definitions contained in the said Act shall apply.

2. The Seal, an impression of which is made in the margin hereof, is the Seal of the Corporation.

3. The fiscal year of the Corporation shall be the twelve months ending on the 31st day of March in each year.

4. (a) Notices of meetings of the Board shall be given to each member thereof by delivering or mailing the same to his usual office address. Failure to give or receive notice due to inadvertence shall not invalidate any meeting, and the presence of any member of the Board at the place and time of the meeting shall be considered waiver of notice to such member.

(*b*) Each member of the Board present at any meeting thereof shall have one vote with respect to any question arising at such meeting and the decision of the Board shall be in accordance with the majority of the votes.

(*c*) The Board shall cause to be entered into one or more books provided for the purpose, the minutes recording the proceedings and giving the names of those present at meetings of the Board.

5. There shall be a Secretary of the Corporation who shall be appointed by and hold office during the pleasure of the Board. It shall be the duty of the Secretary to issue notices of meetings of the Board and to attend all such meetings and act as Secretary thereof. The Secretary shall record all votes and the minutes of all proceedings taken and had at such meetings in books of the Corporation to be kept for that purpose, and shall be the custodian of the Seal of the Corporation.

6. (*a*) There shall be a Comptroller of the Corporation who shall be appointed by and hold office during the pleasure of the Board. The Comptroller shall maintain records of all property of the Corporation and, subject to Paragraph 11 hereof, shall receive, disburse and have custody of all funds and securities belonging to the Corporation and shall keep full and accurate accounts of receipts, disbursements and all financial transactions, in books belonging to the Corporation, and shall deposit all monies, securities, negotiable instruments and other such property in the name and to the credit of the Corporation in such depository as may be approved from time to time by the Minister of Defence Production.

(*b*) The Comptroller shall disburse the funds of, or in the custody of, the corporation in such manner as may be requisite for the conduct of business of the corporation, taking proper vouchers for such disbursements, and shall render to the board as may be required, an account of his transactions as comptroller and of the financial position of the Corporation. He shall perform such other duties as may, from time to time, be determined by the Board and subject to the Direction of

the Board shall have, generally, control of all funds in the Corporation's hands either as trustee or otherwise.

(c) The Comptroller shall, from time to time, prepare and deliver or cause to be prepared and delivered such reports of the finances of the Corporation as are called for by the Canadian Commercial Corporation Act and as the Board or the Minister of Defence Production may request.

7. The Board, or the Minister of Defence Production, may from time to time request any officers of the Corporation or of the Department to prepare such reports of the activities or proposed activities of the Corporation or reports relating thereto as the Board, or the Minister, may require, and such officer shall forthwith comply with such requests.

8. No public statement shall be made in speech or writing purporting to be in the name of the Corporation, and no officer or employee shall be a candidate for any public elective office, or support a candidate for any such office by public speech or writing, without the express authority of the Board.

9. No member of the Board or any officer or employee of the Corporation shall derive any profit from or in any way be pecuniarly interested in or be concerned directly or indirectly in a pecuniary way in any contract or transaction which shall be entered into by the Corporation.

10. All bids, proposals or quotations to be submitted by the Corporation and all contracts and agreements between the Corporation and other governments or other parties; and all invitations to tender, contracts, agreements, purchase orders and amendments thereto between the Corporation and its suppliers; and all miscellaneous documents including bills of lading, terminations of contracts, certificates of cost or pricing data, requisitions, releases, internal administrative documents and similar documents, shall be signed by one or more persons as may be designated from time to time by the Minister of Defence Production, who may also designate those contracts and documents which are to bear the Seal of the Corporation.

11. The banks in which the necessary bank accounts of the Corporation shall be opened and maintained shall be such banks as the Minister of Defence Production may from time to time approve; and the person or persons who shall have authority to draw and accept drafts, and to sign cheques, promissory notes, bills of exchange, letters of credit and orders for money in respect of such accounts and in respect of the transactions of the Corporation, including documents for deposit to the Corporation's credit, shall be such person or persons as may be designated from time to time by the Minister of Defence Production.

12. Bylaws 5 and 6 of the Corporation enacted on the 9th day of May, 1951, and the 19th day of March, 1963, respectively, are superseded by this Bylaw.

Dated the 18th day of December, 1963.

Sgd. M. H. Lamoureux,
President

Sgd. F. F. Waddell,
Secretary

Mr. HARKNESS: I assume the situation was that the board of directors of the corporation by a majority approved of this bylaw and a minority, including yourself, Mr. Lamoureux, disapproved of it. Is that the situation?

Mr. LAMOUREUX: Actually I was the minority. I was the only one who was not pleased with the new bylaws.

Mr. HARKNESS: In connection with the point I was raising and one of the points raised by Mr. Winch, the board of directors having approved of this bylaw, you as president then were in the situation of either accepting this as a majority decision of the directors or resigning; those were the only two choices open to you. It was not a matter of your signing away any rights, which was part of the tenor of Mr. Winch's remarks. Is that not the situation?

Mr. LAMOUREUX: Quite right.

Mr. TEMPLE: Mr. Lamoureux, since you became president of the Canadian Commercial Corporation, what percentage of the sales have been of defence equipment?

Mr. LAMOUREUX: Defence equipment—75 per cent of the sales are of defence equipment.

Mr. TEMPLE: When you say they are 75 per cent of defence equipment, what about other equipment such as fire control equipment; do you include that as defence equipment?

Mr. LAMOUREUX: Yes. It all depends on where it is being used, but it is part of defence equipment.

Mr. TEMPLE: Over the past years, has the practice been that the actual selling—and by actual selling I mean the actual leg work or field work—has been done by the Department of Defence Production?

Mr. LAMOUREUX: Well, the Department of Defence Production officials no doubt are specialists in aircraft, electronics, mechanical equipment, and machinery, and armament, and all these experts I would say would have a considerable amount of work to do in respect of discussions with officers of foreign governments in this particular field. Of course, the executives of these foreign governments who actually are involved in the purchasing are not experts; they are more the officials who sign the contracts and who want certain clauses to be well covered in accordance with their regulations. Every country has its own operation, and likes as much as possible to keep within the framework of it. Many of these areas were discussed with me on my trips. They wanted us to alter certain clauses. They discussed many features. As president of the corporation I was able to help, within the Canadian Commercial Corporation Act, by giving service to these foreign governments.

Mr. WINCH: I would still like to know what your position is now with only one secretary.

The CHAIRMAN: You will have an opportunity.

Mr. TEMPLE: In effect, Mr. Lamoureux, the Department of Defence Production people would have the specialized knowledge to be in a position to go out to make the sales, and you and your agency, the corporation, would be the body that would just put the final seal on it.

Mr. LAMOUREUX: We administered the contract and we took on the responsibility for payment, and also the special clauses which were required in order to meet their requirements.

Mr. TEMPLE: Because many of these items are items of defence equipment, people with security clearances would be required; would that be so?

Mr. LAMOUREUX: Yes.

Mr. TEMPLE: Would the people in the Canadian Commercial Corporation be cleared for security?

Mr. LAMOUREUX: Oh yes.

Mr. TEMPLE: You mentioned that since 1960 when you became president, the sales in the first year were $65 million to $70 million, and then in 1962-63 they rose to approximately $200 million. In connection with that you mentioned you made several trips abroad?

Mr. LAMOUREUX: Yes.

Mr. TEMPLE: Would you tell us how many?

Mr. LAMOUREUX: This would be rather hard to say offhand. I would say in the course of a year we would go across about five or six times, but not necessarily by myself; I would have officers of the corporation as well going along, and we would be accompanied by the Department of Defence Production officers to discuss the negotiations of contracts.

Mr. TEMPLE: Your corporation and the Department of Defence Production were in fact doing about the same thing.

Mr. LAMOUREUX: No, I do not think so. We would do one thing: we would do the administration of the contract, while they would handle the physical work of purchasing, following it up, and getting it to the point of shipping.

Mr. TEMPLE: Have you read the Glassco commission report concerning your corporation?

Mr. LAMOUREUX: Yes, I have.

Mr. TEMPLE: I refer to its relationship to the Department of Defence Production.

Mr. LAMOUREUX: Yes.

Mr. TEMPLE: Do you disagree with those findings?

Mr. LAMOUREUX: Actually I do not disagree with the findings. It all depends on what kind of interpretation you want to put on what is written.

Mr. TEMPLE: It says that while the legal identity of Canadian Commercial Corporation was maintained, its management and staff were provided by the Department of Defence Production. That sounds simple enough.

Mr. LAMOUREUX: Yes, it sounds simple enough, but I would refer back to the time when the Glassco commission was making its actual investigation and survey, when none of the Glassco commission officers ever came to see me.

Mr. MARTINEAU: You say none?

Mr. LAMOUREUX: None.

Mr. MARTINEAU: How would they know then about the work of the corporation if they did not come to see you?

The CHAIRMAN: Mr. Temple has the floor.

Mr. WINCH: That is a good question.

Mr. LAMOUREUX: There were two occasions I know of when they were in touch with my assistant.

Mr. WINCH: You mean your secretary?

Mr. LAMOUREUX: I am referring to a time before November 1, 1963. The Glassco commission recommendations came out before then. The Glassco commission has written a very short paragraph in volume 5 which I have somewhere.

Mr. WINCH: But it never saw the chairman of the corporation or the president of the corporation, never?

Mr. LAMOUREUX: No. Maybe when they called, I was not around.

Mr. MARTINEAU: Maybe they would have sent you to the guillotine.

Mr. TEMPLE: In fact, then, you disagree with some of the Glassco commission findings concerning the Canadian Commercial Corporation, and the transfer of its management and staff to the Department of Defence Production?

Mr. LAMOUREUX: Well, I do not agree with the transfer, that is for sure. You will notice in volume 5, at page 106 of the Glassco commission report, it clearly states:

> The legal identity of the Canadian Commercial Corporation be maintained, but its management and staff be provided by the Department of Defence Production (purchasing and supply).

Yet they came out later with recommendations to the government, and I think I have the recommendation. The Canadian Commercial Corporation does not appear in any way, shape, or form in the recommendations approved by the Government.

Mr. TEMPLE: The only time it appears is in the Glassco commission report itself, of 1963.

Mr. LAMOUREUX: Yes.

Mr. TEMPLE: The Glassco commission does say that in fact the duties of the Canadian Commercial Corporation were the same in fact as those of the Department of Defence Production, does it not?

Mr. LAMOUREUX: It does state this, but there are also some areas where they said very clearly that the commission is using the Canadian Commercial Corporation. As an example it states, "The Canadian Commercial Corporation for example is essentially concerned with the business of other governments." That was only as an example. "Its operations are in all material respects integrated with the purchasing department with which it is associated, and while its continued existence as a legal entity may be useful, no purpose is served. . . ."

Mr. LLOYD: I think for the purposes of the record you are referring to page 67 of volume 5 of the report of the Glassco royal commission.

Mr. LAMOUREUX: That is right, and it is also stated on that same page, as follows:

> Consequently, it has not been our intention to offer a detailed plan of organization, defining the position of every department and agency in the machinery of government and the form appropriate to each. Where changes have been suggested, they have been intended to clarify rather than to alter what appear to be the existing or intended relationships between ministers and the organizations concerned.

Mr. TEMPLE: Yes, but this was the only corporation or department that they actually recommended be transferred, that is, the Canadian Commercial Corporation?

Mr. LAMOUREUX: I would have to refer to the recommendations of the Glassco commission.

The CHAIRMAN: Does that complete your questions?

Mr. TEMPLE: No, but just about. Before we break off, prior to 1960, what was your experience as head of the Canadian Commercial Corporation?

Mr. LAMOUREUX: I can refer to quite far back now when it comes to experience. Prior to the war I was a seaman, on foreign going ships and I became a master on large vessels, and later I came ashore as superintendent of Acadia Overseas Freighters Limited, which had 58 ten thousand ton ships, and over 1,600 employees. The function of this company was to operate in all parts of the world.

Mr. TEMPLE: What was the name of the company again?

Mr. LAMOUREUX: It was Acadia Overseas Freighters Limited of Halifax. As superintendent of this organization I travelled worldwide for many years.

These ships did get into trouble sometimes, and in most of my travels I was interested in obtaining charters for these vessels, in encouraging contracts for transportation and handling of general cargoes, and also establishing lines—that is lines of trade—between South Africa and Canada and the United States, and I did all this for the same company, Acadia Overseas Freighters Limited.

When I was actually asked to come to join this organization it was mainly due to the fact that I had international knowledge of certain ways of operation that they have in foreign countries and I accepted. I think this opportunity of enjoying certain friendships with people gave me a certain status which I found to be of advantage in certain areas I visited as president of this corporation.

Mr. TEMPLE: Is Acadia Overseas Freighters Limited a Nova Scotian company?

Mr. LAMOUREUX: Yes, it is Acadia Overseas Freighters Limited of Halifax.

Mr. TEMPLE: Thank you.

The CHAIRMAN: Now, Mr. Lloyd.

Mr. LLOYD: Mr. Lamoureux, I think you have already read into the record from page 67 of the Glassco commission report volume 5 the passage where they say you exist as a legal entity, but there is no useful purpose to be served by having a separate management and staff. You said you disagreed with that. Would you like to particularize? In what respect do you disagree?

Mr. LAMOUREUX: I do believe in efficient operation. This is a system which is used and is in practice in large organizations. In the executive staff they always have a section for administering contracts. I am referring to fairly large companies; and they also have the bulk of the organization looking after production. I feel that between the years 1960 and 1963 this group of gentlemen were working for the corporation had become pretty well experts on this.

Mr. LLOYD: They are not lost to government service. Their skills are still available to the Department of Defence Production.

Mr. LAMOUREUX: I would not say that they were lost, no. They are with the department.

Mr. LLOYD: You want to indicate that the reason you felt your services were interesting to the government was your knowledge of persons, people, and practices abroad?

Mr. LAMOUREUX: To a certain extent, yes.

Mr. LLOYD: Would you say that your particular qualifications lay in identifying and designating potential sales contracts for Canadian industry with foreign countries? Is that your main qualification and what you contend?

Mr. LAMOUREUX: No, what I contend is the fact that owing to certain personal relationships, I have been fortunate enough to be introduced to people who do have the authority to purchase, and I have had occasion to talk with these people and ask them if they would give us an opportunity to quote on their requirements.

Mr. LLOYD: Because they recognized you as an authority in this field?

Mr. LAMOUREUX: No, because they recognized Canada as being a country where our industry is definitely not too far from the United States production styles, and that qualitywise, it is really outstanding.

Mr. LLOYD: Are you suggesting that you yourself had personal connections with persons in other governments, and that this in some way made it easier for you to do this than it would for anybody else?

Mr. LAMOUREUX: No, I do not think I could contend necessarily that only I could do it.

Mr. LLOYD: Could you identify to the committee any potential sales contract that was not completed under the present organization but which might have been completed had the Canadian Commercial Corporation staff continued to be under your direction, management and supervision? Could you give us a specific instance?

Mr. LAMOUREUX: A specific instance; that would be quite hard to pinpoint. But I feel that there is an area where I thought it had started to come to a conclusion. Maybe if I had carried on with it, it could have come to one.

Mr. LLOYD: But you are still continuing in the capacity as adviser to the Department of Defence Production in fact?

Mr. LAMOUREUX: Yes.

Mr. LLOYD: And have you indicated to the officers of the Department of Defence Production the potential areas of development, or of sales contracts? Are they asking for your advice? Have you voluntarily gone to them and identified these things?

Mr. LAMOUREUX: Yes, I did talk to the deputy minister at one time, I am speaking about a track contract in Germany and I was told it was in good hands, and I did not doubt it. So I moved along those lines, and I think I have made it very clear in mentioning the track contract.

Mr. LLOYD: How did you learn about this track contract?

Mr. LAMOUREUX: I learned about this track contract through a friend of mine in Germany.

Mr. LLOYD: Did he advise you personally?

Mr. LAMOUREUX: Yes.

Mr. LLOYD: In his capacity as president of his corporation?

Mr. LAMOUREUX: Yes.

Mr. LLOYD: Therefore in your present capacity which is that of adviser, to what responsible person did you pass along this information?

Mr. LAMOUREUX: This was actually prior to the transfer of the staff of the corporation.

Mr. MARTINEAU: How can the witness be an adviser to himself, when he is the chairman?

Mr. LAMOUREUX: This was before November 1, 1963.

Mr. LLOYD: This was at the time when you initiated some action on the inquiry.

Mr. LAMOUREUX: Not the inquiry; the inquiry came later. When the inquiry came the staff were actually in the Department of Defence Production or under both.

Mr. LLOYD: Did a sales contract arise?

Mr. LAMOUREUX: Yes, a sales contract arose.

Mr. LLOYD: As a result of that?

Mr. LAMOUREUX: I could not tell you. I do not know.

Mr. LLOYD: Can you give the committee any idea of the percentage of sales contracts which arose in the first instance because foreign companies on their own initiative wanted to take advantage of the services of your agency as distinct from your going out and attempting to identify their needs?

Mr. LAMOUREUX: Very few companies in the foreign countries placed inquiries with us; it is only the governments and departments of the foreign governments that place inquiries with the corporation.

Mr. LLOYD: How many of these departments initiated inquiries directly to the government agency in Canada of their own volition without any sales effort on the part of a soliciting agent for Canada?

Mr. LAMOUREUX: I think normally most of the inquiries received have been canvassed either by a Department of Defence Production officer, a trade and commerce officer, or someone attached to the embassy.

Mr. LLOYD: Am I accurate in saying all you are concerned about is whether or not your sales effort is being maintained; is that what you are concerned about mainly rather than organization?

Mr. LAMOUREUX: The purpose of this corporation is to try as much as possible to sell the manufactured goods in Canada to foreign countries.

Mr. LLOYD: Do you believe this is being done now?

Mr. LAMOUREUX: I believe this is being done.

Mr. LLOYD: Thank you.

The CHAIRMAN: Does that complete your questioning?

Mr. LLOYD: Yes.

The CHAIRMAN: Mr. MacLean.

Mr. MACLEAN (*Queens*): Mr. Chairman, I just have one or two questions to ask the witness. Mr. Lamoureux, before the transfer of personnel to the Department of Defence Production from the Canadian Commercial Corporation, I believe the total strength of the Canadian Commercial Corporation was something of the order of 85 persons.

Mr. LAMOUREUX: Actually, the 84 or 85 persons we are talking about were a part of the staff of the Canadian Commercial Corporation. On top of this I had a group of persons who were from the Department of Defence Production personnel on loan to the Canadian Commercial Corporation, and also another group on loan from defence construction. The 85 plus these two groups made up to 118 persons. A few times at the board of directors meeting I suggested I needed extra personnel because of the increased volume of business and the extra paperwork and administrative work in order to do a good job. These persons were loaned to Canadian Commercial Corporation; they were under my supervision and they performed very good work.

Mr. MACLEAN (*Queens*): Of course they were civil servants.

Mr. LAMOUREUX: Yes.

Mr. MACLEAN (*Queens*): My question has to do with those who are not civil servants. I presume their salaries were paid out of fees charged for services rendered by the corporation.

Mr. LAMOUREUX: I must admit that prior to my appointment as president of the corporation, the staff of the corporation was paid from fees which the corporation earned. At a directors' meeting the directors and myself decided we would drop our fees and now there are practically no fees being collected for the services of the corporation. The staff of the Department of Defence Production on loan to Canadian Commercial Corporation were being paid by Department of Defence Production and Defence Construction Limited personnel were paid by Defence Construction Limited.

Mr. MACLEAN (*Queens*): The Canadian Commercial Corporation staff was paid out of fees which had been collected in the past?

Mr. LAMOUREUX: Yes.

Mr. MACLEAN (*Queens*): Are any fees still being collected at this point?

Mr. LAMOUREUX: Very little, as a matter of fact. The only fees we are getting now are the fees we are charging to external aid which is a section of the Department of External Affairs.

Mr. MACLEAN (*Queens*): These assets which you sell for fees which were collected at one time or another, where are they held; are they still held by the corporation?

Mr. LAMOUREUX: Yes.

Mr. MACLEAN (*Queens*): But gradually the fees themselves diminished so at the present time every person except yourself and your secretary who engage in selling defence products abroad are civil servants paid by the public service from government revenue?

Mr. LAMOUREUX: Yes.

Mr. MACLEAN (*Queens*): So, compared to some time in the past the selling of defence production articles now is subsidized to the extent of the salaries of those persons who are engaged in it. At one time the Canadian Commercial Corporation was self-supporting and now it is not self-supporting; it is subsidized by the amount of the costs involved.

Mr. LAMOUREUX: This is quite right.

The CHAIRMAN: Mr. Lessard?

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Chairman, granted that Mr. Lamoureux has to speak French, I would be very pleased to go on in French. I have several questions. They are direct and I hope you are going to be in a position to answer them as directly. On the occasion of the interview you had with the minister, a few days ago, before appearing here, today, did the Minister indicate to you what would be the subject of the discussion you were to have with him?

Mr. LAMOUREUX: The only thing he discussed was the question of the 84 employees who took part in organizing the Canadian Commercial Corporation.

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Minister, since you have been responsible for this Corporation and since you have been aware of its activities, have you any direct criticism to level at Mr. Lamoureux's work?

Mr. DRURY: Naturally, that depends first of all on the meaning of the word "criticism": I was not in agreement with the object of continuing to retain the Corporation team in its entirety.

Mr. LESSARD (*Lac-Saint-Jean*): Why?

Mr. DRURY: Why? Because in my opinion, in retaining the whole Corporation team, there would be job duplication between the duties of the Department and of the Corporation. In this sense, it is inefficient, useless.

Mr. LESSARD (*Lac-Saint-Jean*): You have not answered a specific point in my question. Did you have any direct criticism to make of Mr. Lamoureux in his work, since he is responsible for this Corporation?

Mr. DRURY: I answered that that depends on the meaning of the word "criticism". I gave you an example of the criticism, if I can put it that way, of something that I criticized him about.

Mr. LESSARD (*Lac-Saint-Jean*): That is not enough, in any case. Mr. Lamoureux, out of the 84 individuals who were in your Department how many French-Canadians were there, can you tell me? Three, six, eight?

Mr. LAMOUREUX: I would have to say less than half a dozen, six.

Mr. LESSARD (*Lac-Saint-Jean*): About?

Mr. LAMOUREUX: Yes, that's right.

Mr. LESSARD (*Lac-Saint-Jean*): Have they been transferred or absorbed into the Department of Defence Production?

Mr. LAMOUREUX: Yes, they were absorbed.

Mr. LESSARD (*Lac-Saint-Jean*): Were they reduced in grade or were they transferred laterally?

Mr. LAMOUREUX: The transfers were not lateral.

Mr. LESSARD (*Lac-Saint-Jean*): Did their responsibilities or salary increase or decrease? Those are two questions.

Mr. LAMOUREUX: I agree, we are still speaking of French Canadians.

Mr. LESSARD (*Lac-Saint-Jean*): Yes.

Mr. LAMOUREUX: Among the French Canadians—there, were some who were reduced in grade and some who were transferred laterally.

Mr. LESSARD (*Lac-Saint-Jean*): Reductions in responsibility or reductions in salary?

Mr. LAMOUREUX: Reductions in responsibility, reductions in grade. Their salary automatically remained the same, due to an arrangement which was made quite specially in their case.

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Lamoureux, those employees, when they were under you, were they subject to the control of the Civil Service Commission?

Mr. LAMOUREUX: When they were under my responsibility, they had nothing whatsoever to do with the Civil Service Commission.

Mr. LESSARD (*Lac-Saint-Jean*): In the course of your previous administration, had you already had difficulties or conflicts with the Civil Service Commission?

Mr. LAMOUREUX: No, I had no conflicts with the Civil Service Commission, from the very fact that I was not, that none of my employees was—

Mr. LESSARD (*Lac-Saint-Jean*): Did they, at given times, attempt to interfere with your duties and your work, to stick their nose into the administration of your staff?

Mr. LAMOUREUX: I don't believe so.

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Minister why did you not absorb Mr. Lamoureux and his secretary in the group, at the same time as the 84 other individuals? Why did you not give Mr. Lamoureux other responsibilities?

Mr. DRURY: Section 3 of the Corporation Act makes the chairman responsible for duties, responsibilities, tasks. As Mr. Lamoureux has explained he did receive duties, comparable to those that he had previously to take the place of the administrative duties he no longer has.

Mr. MARTINEAU: Could I ask an additional question? Do the Corporation regulations define the duties of the chairman and if so, does the chairman continue to carry out these duties as defined by the regulations?

Mr. DRURY: I am informed that the answer is yes.

Mr. MARTINEAU: It is yes?

Mr. DRURY: Yes, frankly I have not personally seen the definitions of the chairman and his duties and responsibilities, I have been informed that it is a fact.

(*Text*)

Mr. MARTINEAU: May I raise a point of order at this time. The minister has said that he does not know the exact terms of the bylaw which defines the power of the president and other officers. May I request that all the bylaws, not only the one referred to previously, of the corporation be produced at the next sitting of this committee?

Mr. WINCH: I know you have to stop now, but just so that everything is completely embodied in the one transcript may I have one answer which ties in with everything; in view of the bylaw statement, and the president's statement, will the minister tell us who now signs all the documents which were previously signed by the president?

Mr. DRURY: I cannot give you that answer. I would have to take advice. There has been a vast variety of documents.

Mr. WINCH: I mean those which would otherwise have been signed by the president.

Mr. DRURY: I am not sure which document would otherwise have been signed by the president, so I cannot answer you now.

Mr. WINCH: May we have it in time for next week?

Mr. DRURY: That is the kind of information you can have.

The CHAIRMAN: Mr. Lessard, have you any further questions?

Mr. LESSARD (*Lac-Saint-Jean*): I would like to complete them at this time, if I may.

(*Translation*)

Mr. LESSARD (*Lac-Saint-Jean*): Mr. Chairman, I would like to continue. Since you have been occupying your new position, that is since December 1963, one year, how many times approximately have you been consulted? I am not speaking of you going to make suggestions. Have you been consulted?

Mr. LAMOUREUX: I have never been consulted or asked for my opinion since the 1st of November 1963.

Mr. LESSARD (*Lac-Saint-Jean*): And you are the departmental advisor and you have never been consulted.

Mr. LAMOUREUX: No.

Mr. LESSARD (*Lac-Saint-Jean*): Thank you, that is very interesting. When you made suggestions, on your own initiative, were you already told to mind your own business, that everything was in good hands?

Mr. LAMOUREUX: I must say that—

Mr. LESSARD (*Lac-Saint-Jean*): Directly or indirectly?

Mr. LAMOUREUX: I certainly had—it's difficult to say—with the deputy minister, the assistant deputy minister—I must admit that I was very sincerely told not to bother myself, that everything was going fine.

Mr. LESSARD (*Lac-Saint-Jean*): In other words, you were told to mind your own business. Are you under the impression that the Civil Service Commission wanted to destroy your organization because it was not under its control?

Mr. LAMOUREUX: I am going to tell you sincerely that the Civil Service was asked, by the Department and not by me, to arrange to transfer, to take the Canadian Commercial Corporation officers, to integrate them into the Department of Defence Production, without bothering too much about their qualifications and their competence, to find them a spot somewhere. I do not know how they were able to express themselves at that time.

Mr. LESSARD (*Lac-Saint-Jean*): In addition to being legally debatable, the present situation seems, as far as I can see, to be the result of a conspiracy of officials to eliminate the only French-Canadian who had a responsible position in the whole Department of Defence Production. In the whole Department, French-Canadians are almost non-existent or where they do exist they hold unimportant positions. Mr. Lamoureux was just about the only one who had any importance in your Department. Do you consider that Mr. Lamoureux still occupies an important position, Mr. Minister?

(*Text*)

The CHAIRMAN: Mr. Lessard, on a point of order. You have made two statements in your question, which are not necessarily founded on facts. They are opinions.

Mr. LESSARD (*Lac-Saint-Jean*): You object? very well.

(*Translation*)

Mr. Lamoureux, were you asked directly or indirectly to resign?

Mr. LAMOUREUX: No, I was never asked to resign from my duties.

Mr. LESSARD (*Lac-Saint-Jean*): Are you under the impression that your days are numbered, excuse me for being direct, as chairman and as Government employee?

Mr. LAMOUREUX: It's very difficult to answer that because of the very fact that I don't see the Minister very often, even very very seldom. As he is my superior, he has given formal orders for me to report to the assistant deputy minister. Then, as a result, I must say that I do not know how long I am going to stay in this situation.

Mr. LESSARD (*Lac-Saint-Jean*): You report to an assistant deputy minister?

Mr. LAMOUREUX: Yes, those are the orders I received from my Minister.

Mr. LESSARD (*Lac-Saint-Jean*): Fine, that is enough, Mr. Chairman. I have heard enough.

(*Text*)

That is enough for the moment.

The CHAIRMAN: It is now past 1 o'clock.

Mr. MARTINEAU: Will an effort be made to have the bylaw circulated among members of the committee before the next meeting so that members who may wish to study it can do so before the meeting?

The CHAIRMAN: I think this is desirable. I will arrange this, if the committee is agreeable.

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HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. DAVID G. HAHN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

TUESDAY, DECEMBER 15, 1964

Respecting

CANADIAN COMMERCIAL CORPORATION

WITNESSES:

The Honourable C. M. Drury, Minister of Defence Production; and Mr. M. H. Lamoureux, President, Canadian Commercial Corporation.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

21664—1

SPECIAL COMMITTEE

ON

DEFENCE

Chairman: Mr. David G. Hahn

Vice Chairman: Hon. Marcel Lambert

and Messrs.

Asselin (*Notre-Dame-de-Grâce*),	Langlois,	Martineau,
Béchard,	Laniel,	Matheson,
Brewin,	Lessard (*Lac-Saint-Jean*),	McMillan,
Deachman,	Lloyd,	McNulty,
Fane,	MacInnis,	Pilon,
Groos,	MacLean,	Smith,
Harkness,	MacRae,	Temple,
		Winch—24.

(Quorum 13)

E. W. Innes,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, December 15, 1964
(39)

The Special Committee on Defence met at 11:10 a.m. this day. The Chairman, Mr. David G. Hahn, presided.

Members present: Messrs. Asselin (*Notre-Dame-de-Grâce*), Deachman, Fane, Groos, Hahn, Lambert, Lessard (*Lac-Saint-Jean*), Lloyd, MacLean, MacRae, Martineau, McMillan, Smith, Winch (14).

In attendance: Honourable Charles M. Drury, Minister of Defence Production; Mr. M. H. Lamoureux, President of Canadian Commercial Corporation; and Mr. W. Harris, former Assistant General Manager of the Corporation.

The Chairman announced that a paper entitled "Armaments and Modern Weapons" would be available shortly, and would be identified as Exhibit No. 11.

A report entitled "Policy for Industrial Technology in Canada" was tabled on behalf of the Air Industries Association in Canada, as requested at the meeting of November 26.

This report was identified as Exhibit No. 12.

The Chairman outlined a proposed future program for the Committee.

Agreed,—That Bylaws Nos. 5, 6 and 7 of the Canadian Commercial Corporation, requested at the last meeting, be printed as Appendix "A" to today's evidence.

The Committee continued its consideration of the organization and operations of the Canadian Commercial Corporation, Messrs. Drury and Lamoureux answering questions thereon.

The Minister tabled the following:

(*a*) List of signing officers for Canadian Commercial Corporation

(*b*) Signing authority for Cheques, Drafts, Notes, etc.

Agreed,—That the abovementioned documents be printed in the Committee's evidence at the point of tabling.

A copy of the Order in Council approving bylaw No. 7 was tabled and included in the evidence at point of mention.

At 1:00 p.m. the Committee adjourned to the call of the Chair.

E. W. Innes,
Clerk of the Committee.

21664—1½

EVIDENCE

TUESDAY, December 15, 1964.

The CHAIRMAN: Gentlemen, I think we will see a quorum in order to proceed.

Before we start with today's proceedings there are a few items of general business to dispose of.

First of all, the last of the eleven papers that we are receiving entitled "Armament and Modern Weapons" has not come in but it will be here momentarily. As soon as it arrives it will be identified as Exhibit No. 11 and will be printed, as already authorized by the committee, with the previous papers in order that they all will be printed in one booklet.

The second item is in respect of page 944 of the evidence. This was the meeting at which officials of the Air Industries Association were present. There is a request for the presentation of a report on Research and development that was being prepared or had been prepared for the Air Industries Association. That report now has been provided to the committee by the Air Industries Association and I will table it now as Exhibit No. 12 so that it will be available to the Committee.

Mr. SMITH: If I could pose a query, Mr. Chairman, when the committee has finished with that report, does it stay with the committee papers, or does it ultimately go to the library?

The CHAIRMAN: It stays with the Committee's papers.

Mr. SMITH: Are you saying that two years or five years from now it will still stay with the committee papers; in other words, as long as the committee papers exist? Do you think that is the best disposal of it? Or, do you think it should be available in the library?

The CHAIRMAN: I have requested an additional copy of the report and my thought was, if we were able to do it, we would place it in the library.

The third general area deals with our future plans. We had a Steering Subcommittee meeting and discussed the future work of the committee.

There were a number of topics that we felt we should tackle, and I will give you a list of the sort of things we are thinking about.

First, a meeting where we would discuss the differences between the Suttie recommendations and the actual changes that were made in our Reserve forces.

Second, when the shipbuilding and other procurement programs are announced we will be having meetings and briefings on these programs.

Third, we have a paper on "Economic Consequences of Disarmament", and it is considered worth while to go into this paper.

Fourth, following the "Economic Consequence of Disarmament", it was felt we might go into the disarmament negotiations and have a look at the political status of these negotiations and the political problems inherent in them.

Fifth, the military and political aspects of peace-keeping, which form an important part of our defence policy.

Sixth, and finally, prior to the end of the session—and the session undoubtedly will continue past our recess—we will be submitting a final or sessional report which will deal with the new topics we have covered since our last report, and this will also include, printed in booklet form, the last report we make.

It is unlikely we will have any further meetings before Christmas. The Minister of National Defence is away. I thought we possibly might deal with the Reserve Forces situation, but the Associate Minister is not available for a meeting.

I have one last point before we start with today's business. At our last meeting By-laws of the Canadian Commercial Corporation were requested by the Committee. By-law No. 7 was tabled at that last meeting, and it has been printed in the proceedings of that meeting. All of you should have your copies of the proceedings. The remainder of the by-laws have been distributed now to every member of the committee, and I would suggest they be included in the proceedings of today's meeting. I think it should be made an Appendix to today's evidence.

Mr. WINCH: Perhaps there is a misunderstanding on my part, and please correct me if I am wrong. It was my thinking that as a result of the steering committee meeting you were to ask if the Department of National Defence would produce an expose of the report of the Suttie commission on recommendation of certain units being held, together with the reasons why it had not recommended on these particular items. I understood you were to ask for that, as a result of our Steering Committee meeting.

The CHAIRMAN: That is correct, Mr. Winch, and we will have this. However, the presentation of this would require the Minister, and he is not available this week.

Mr. WINCH: But you have asked for that?

The CHAIRMAN: Yes, and we probably will do this as one of the first items of business after the recess.

At today's meeting we will continue with the Canadian Commercial Corporation. We have a statement from Mr. Lamoureux. I believe copies of this statement have been distributed. Has everyone a copy?

Mr. M. H. LAMOUREUX (*President, Canadian Commercial Corporation*): Mr. Chairman, I have a few extra copies for others who may come later.

The CHAIRMAN: Would you proceed with your statement, Mr. Lamoureux.

Mr. LAMOUREUX: Mr. Chairman and members of the committee:

Two weeks ago, when I appeared before the committee I was, as the minister pointed out in his statement, not entirely *au fait* with the scope of the committe's interest in the work and functions of the Canadian Commercial Corporation. Therefore, at the outset today I would like, with your permission, to expand my previous remarks.

I was appointed president in November, 1960, and thus can speak with authority on the activities of the corporation only from that time until November 1963, when its functions were taken over by the Department of Defence Production, as the minister has explained.

In order to appreciate the present developments we should recall that the corporation throughout its history readily has adapted to the changing demands of our export trade. Thus, in 1944 the Canadian export board was established for the purpose of assisting foreign governments and agencies (chiefly UNRRA) in purchasing non-military supplies in Canada. The Canadian Commercial Corporation, established in 1946, took over from the board and in 1947 assumed the further heavy responsibility of procurement for the Department of National Defence. In 1951, when the Department of Defence Production was established, the corporation reverted to its previous role of serving as agent for foreign purchasers. During the decade that followed, defence contracts placed in Canada by the United States government made up the bulk of our business, but, in addition, contracts placed in Canada under the Colombo plan, and defence contracts placed in Canada by a large number of foreign countries were administered by personnel of the corporation.

The corporation being a legal entity was able to guarantee the execution of contracts to the satisfaction of foreign purchasers. The most valuable function of the corporation, however, was to co-ordinate and administer the execution of those contracts, the majority of which involved several departments of government in addition to manufacturers and suppliers. Thus, the corporation served as a liaison between the foreign purchaser, government departments, other crown agencies and Canadian industry. As pointed out by the Minister of Trade and Commerce, when the Canadian Commercial Corporation Act was introduced in parliament, a government board had not proved to be a practical medium through which to carry out foreign trade transactions and, further, "many firms preferred to do business with a company which could sue and be sued, rather than with a department of government" (*Hansard*—August 5, 1946, 4326). The corporation was always administered along commercial lines and fulfilled a function not provided by private enterprise.

I would like now to deal with a few specific points arising out of my last appearance here.

I believe that Mr. Martineau at that time suggested that the president and personnel of the corporation were responsible for increasing its business from some $50 to $60 million in 1960-61 to approximately $200 million in 1962-63.

I would like to state that the increase in business during the fiscal years 1960-61 to 1962-63 was due to several factors. For example, in those years there was a great increase in the volume of contracts with the United States under defence sharing arrangements, which it was the policy of the government to encourage and which was brought about through the concerted efforts of several government departments. This was also the period in which arrangements were concluded for the production of the F-104 aircraft in Montreal in exchange for the assumption by Canada of responsibility for the administration of certain Pinetree and Dew Line stations.

With reference to a question asked by Mr. Temple concerning the recommendations of the Glassco Commission, I said that the representatives of the Commission had not come to see me. By this, I did not mean to suggest that there had been no study of the corporation by the Glassco Commission. However, there is no detailed examination of the functions of the Canadian Commercial Corporation in the Glassco Commission report and I think that it is fair to suggest that the commission may not have paid sufficient attention to the advantages provided by the corporation from the point of view of foreign governments dealing with Canadian industry.

There was some discussion during our last meeting with respect to the selling efficiency of the corporation during my tenure as compared with the functions now carried out by the Department of Defence Production. Undoubtedly, the transition of functions to the department has produced difficulties, but I cannot believe that any such change-over could have been accomplished without some disruption in the negotiation and administration of contracts. It is important to note, however, that where foreign purchasers formerly dealt with representatives of a crown agency, they now deal with representatives of a department. Being a crown agency the corporation was admirably suited to deal expeditiously as agent, principal or co-ordinator on behalf of foreign purchasers with a wide variety of contracts which called for every conceivable type of product and service. Thus, from 1960-63, the corporation not only handled defence items but, through its foreign projects division, co-ordinated contracts for procurement of services, equipment and materials to be used in foreign countries under the Colombo plan, UNICEF and other aid programs.

Mr. MacLean questioned me about the elimination of fees which were previously charged for our services and which made our corporation self-sustaining. I would like to supplement the reply that I then gave by saying that in recent years the foreign governments with whom we dealt have not charged fees for administration of contracts by government agencies, and it was this

that brought about our decision to cut out fees altogether. In fact, I recall it was felt that the additional cost of fees for contract administration often made it impossible for Canadian companies to present competitive bids; thus, the dropping of fees was an incentive to raise the general level of our export trade.

(*Translation*)

I would now like to make one last remark in French for the record. In the course of our last meeting, Mr. Lessard asked me how many French Canadians were in the employ of the corporation.

Contrary to what I said then, it was not half a dozen French Canadians that were in our employ on October 31, 1963; we had twenty of them.

(*Text*)

In closing, may I assure you Mr. Chairman and members of the committee that I have always considered it my duty to satisfy as effectively as possible the needs of Canadian industry and foreign purchasers, within the terms of section 4 of the Canadian Commercial Corporation Act.

The CHAIRMAN: Gentlemen, we are now ready for questions to be put to the witness.

Mr. DEACHMAN: Mr. Chairman, may I refer to the first page of the statement of the witness, Mr. Lamoureux; it says in the second paragraph:

> I was appointed president in November, 1960.

Mr. Lamoureux, what post did you hold prior to November, 1960?

Mr. LAMOUREUX: I was executive vice president of Grimaldi Siosa Steamship Line.

Mr. DEACHMAN: And as executive vice president of that line you were not connected with the civil service or with the government in that connection or before that?

Mr. LAMOUREUX: Not at all.

Mr. DEACHMAN: What were your qualifications for this particular job at that time? I presume you are an economist or, perhaps a lawyer?

Mr. LAMOUREUX: No, I am not a lawyer and I am not an economist.

I gave my background at the last meeting. I said I was a sailor and I became a deep sea captain in charge of vessels. I came ashore as superintendent and, as such, I travelled world wide on behalf of the steamship companies and negotiated contracts in many parts of the world. I feel I am quite well known in several areas. I think it was because of this that Mr. Drury's predecessor requested that I join the Canadian Commercial Corporation.

Mr. DEACHMAN: What sort of contracts were you engaged in negotiating when in this business? What kind of contracts would these have been that you negotiated around the world?

Mr. LAMOUREUX: Well, charter contracts were the main ones; these included actual carrying of goods and general cargoes or bulk cargoes from certain parts of the world to other parts of the world; negotiating ship contracts—in other words, the building of vessels; administering the construction of these vessels, and then negotiating labour contracts with the unions, the personnel of which were on board these vessels. There were quite a few vessels, divided in groups: some of these vessels flew Canadian flags, others Greek flags, others British flags, etc., and I was negotiating on behalf of the group of vessels I was representing.

Mr. DEACHMAN: What would be the size of this firm which you have mentioned, namely Grimaldi Siosa Steamship Lines.

Mr. LAMOUREUX: The firm is much larger now but when I was with it we had six passenger ships.

Mr. DEACHMAN: This is in 1960?

Mr. LAMOUREUX: It was 1960, yes. As I say, we had six passenger ships, the smallest one of which was 17,000 tons and the largest 32,000 tons, carrying a crew of 560.

We also had a dry cargo fleet of 19 vessels, six of them on charter with Saguenay terminals in Montreal. We had a fleet of tankers from 17,000 tons to 41,000 tons, which operated world wide, entered many ports and came to Montreal to unload. They were on charter with Imperial Oil and Shell.

Mr. DEACHMAN: But your specific position with that company would be to do what?

Mr. LAMOUREUX: To administer the operation of the—

Mr. LESSARD (*Lac-Saint-Jean*): If I may interrupt, Mr. Chairman, I object to this line of questioning. I do not think it is relevant because this is not the reason we are here today. I do not believe this line of questioning has anything to do with the executive function of Mr. Lamontagne at the present time and, as I say, I object to the line of questioning being put.

The CHAIRMAN: I think your point of order, Mr. Lessard, is probably well taken. I do not think we are here to probe in great detail into the background of Mr. Lamoureux; I think we are here to look at the Canadian Commercial Corporation.

Mr. WINCH: Except, Mr. Chairman, in so far as it relates to the experience, ability and capability of the witness in respect of this appointment.

The CHAIRMAN: Yes. But at our last meeting the background of Mr. Lamoureux was touched upon, and that is why I have allowed Mr. Deachman to continue up until now. But, I think we probably have explored this reasonably thoroughly and perhaps we should move on to something else.

Mr. LESSARD (*Lac-Saint-Jean*): If this line of questioning is followed, Mr. Chairman, later on when other witnesses are called I, too, will question their background.

The CHAIRMAN: Would you like to proceed, Mr. Deachman.

Mr. DEACHMAN: No, I will let it go at this point, Mr. Chairman.

Mr. WINCH: Mr. Chairman, I am interested, first, in the second paragraph of Mr. Lamoureux's submission, where he says:

> I was appointed president in November, 1960, and thus can speak with authority on the activities of the corporation only from that time until November, 1963, when its functions were taken over by the Department of Defence Production, as the minister has explained.

Now, as Mr. Lamoureux says, the functions were taken over by the Department of Defence Production in November, 1963. I would like Mr. Lamoureux to explain whether there is any relationship to bylaw number 6 because bylaw number 6 was enacted by the board of directors on March 19, 1963. I presume this bylaw was to establish a change from his authority or Canadian Commercial Corporation's authority to defence production. Is there some relationship between the bylaw of March 19, 1963 and the functions being taken over in November of the same year?

Mr. LAMOUREUX: No, there is no relationship.

Mr. WINCH: Then, the passage of the bylaw had no connection with the takeover in November?

Mr. LAMOUREUX: No, I do not think it had. But, I will check into this.

Mr. WINCH: And, if I may add to that, what was the purpose of the bylaw on March 19, 1963?

Mr. LAMOUREUX: I had better have a look.

Mr. WINCH: I am referring to the last page of the bylaw where I give the date, and that is all.

Mr. LAMOUREUX: Mr. Winch, are you referring to section (*d*) of the bylaw?

Mr. WINCH: I am referring to the entire bylaw number 6.

Mr. LAMOUREUX: Yes.

Mr. WINCH: This was passed, as I said, on March 19, 1963.

Mr. LAMOUREUX: Yes.

Mr. WINCH: Now, was this bylaw passed because of what occurred in November, 1963, on a transfer of power?

Mr. LAMOUREUX: No, actually it is a bylaw for signing authorities.

I must admit that it was passed, and this actually was to give us a little more freedom owing to the fact that some of the officers of the corporation did have to represent the corporation in other cities; I am referring now to the United States, where they required signing authority to close a contract. Owing to the quarterly amounts of money allowed by the United States government in order to meet their purchasing cycle over a period of four times a year, we had to expedite an officer of the corporation down to this area to close the contract some times a few hours before the deadline. This is a bylaw which strictly concerns signing authorities.

Mr. WINCH: Then, in view of your use of the word "freedom", when you passed this bylaw on March 19, 1963, to give you more freedom, at that time did you have an indication that in November of 1963 the Canadian Commercial Corporation was going to lose all its freedom?

Mr. LAMOUREUX: No, I did not.

Mr. WINCH: Then, referring to the first page of your submission, the last part of the second to last paragraph, we have the words:

> —the bulk of our business, but, in addition, contracts placed in Canada under the Colombo plan, and defence contracts placed in Canada by a large number of foreign countries were administered by personnel of the corporation.

If my information is correct, Canada still is placing contracts under the Colombo plan and others. Since when have you not had anything to do with contracts placed under the Colombo plan, or others?

Mr. LAMOUREUX: The first of November, 1963.

Mr. WINCH: You have had nothing whatsoever to do with them since then as president of the corporation?

Mr. LAMOUREUX: That is correct.

Mr. WINCH: In respect of the last paragraph on page 2, where you speak of defence buying, you had nothing to do since November, 1963, with any of these either?

Mr. LAMOUREUX: That is correct.

Mr. WINCH: In the middle of the second paragraph on page 3 you stress how important it was that foreign purchasers could deal with this crown agency. Has that situation changed in principle so far as you are concerned now that you no longer have anything to say or do with it?

Mr. LAMOUREUX: Well, it has changed owing to the fact that I do not as a person have a group of officers whom I actually govern and instruct in respect of certain parts of the negotiation.

Mr. WINCH: That is not my question. From the evidence you gave us two weeks ago I know that you now no longer have any say. I am asking you,

do you feel that the picture is still as you outline it here; that is, that foreign purchasers would like to deal with a crown agency and not a department of government; have you changed your mind on the principle?

Mr. LAMOUREUX: No; I have not changed my mind on the principle.

Mr. WINCH: It was changed for you?

Mr. LAMOUREUX: Yes.

Mr. WINCH: Thank you. Mention was made this morning and last week of the Glassco Commission investigation. Two weeks ago and again today you stated that no member of the Glassco Commission ever saw you as president of the Canadian Commercial Corporation?

Mr. LAMOUREUX: That is right.

Mr. WINCH: May I ask whether, to your knowledge, the Glassco Commission, or any member thereof, saw any of your officials?

Mr. LAMOUREUX: I know that two representatives of the Glassco Commission visited my executive assistant at that time, Mr. Harris, and requested a technical paper on the operations of the corporation. Of this I am aware. My assistant asked me whether I would allow him to do this, and I said yes. I understand, beyond this, that they had visits with the other members of the corporation, and I am referring to the legal adviser, the comptroller, and some of the directors of C.C.C.

Mr. WINCH: Did you think it unusual that a commission of the importance of the Glassco Commission should not ask to see you as president of a corporation?

Mr. LAMOUREUX: It is most unusual; there is no doubt about it.

Mr. WINCH: Did you ask for a meeting with them?

Mr. LAMOUREUX: No. I expected them to come back to me once they had read the statement given by Mr. Harris.

Mr. WINCH: Did you ask them to come back?

Mr. LAMOUREUX: No. I was expecting them to come back once they had read Mr. Harris' report.

Mr. WINCH: May I ask whether Mr. Harris informed you of the meeting and whether he made any recommendation at all in respect of whether or not they should see the president of the corporation?

Mr. LAMOUREUX: I recall Mr. Harris coming in to see me. As I recall it this took place in the morning, and the following afternoon he came in to tell me that is what they needed and had requested, and I gave him authority to produce the report; and at this time I do not think he had made any recommendation.

Mr. WINCH: Do I take the correct interpretation from what you say in your statement this morning, that you feel the Glassco Commission in its report did not have an understanding of the operation of the Canadian Commercial Corporation?

Mr. LAMOUREUX: No. I have endeavoured to find in the report of the Glassco Commission the same type of study that they have made in respect of certain departments in which they lead up with hundreds of pages of documentation and reports and arrive at a conclusion. In this case you can study the conclusion right back and see where it starts. However, in the case of the corporation I am trying to see where there is such a thing as working papers which would lead them to make a recommendation in the report.

Mr. WINCH: I am a little intrigued in noting that bylaw No. 5 was passed on May 9, 1951. There is no further bylaw until March 19, 1963. Is that correct; there were no other bylaws or amended bylaws?

Mr. LAMOUREUX: No. Those were the bylaws that were in effect when I was appointed president of the corporation. Bylaw No. 7 came about at a directors' meeting of December 18, 1963.

Mr. WINCH: May I refer you to page 2 of bylaw No. 5 where it says under (*d*):

> The president shall have control and supervision of the staff of the corporation and shall have authority to delegate any of his powers in this regard to any officer or employee of the corporation.

Was that ever amended, or do you consider it was amended by bylaw No. 6?

Mr. LAMOUREUX: No; by bylaw No. 7.

Mr. WINCH: I am sorry, I do not have a copy of bylaw No. 7.

The CHAIRMAN: Bylaw No. 7 is in the proceedings of our last meeting.

Mr. WINCH: Was there ever any amendment made to (*d*) of bylaw No. 5?

Mr. LAMOUREUX: No; not until bylaw No. 7 came into existence.

Mr. WINCH: Do you say that bylaw No. 7 amends (*d*) of bylaw No 5?

Mr. LAMOUREUX: Yes.

Mr. WINCH: I have one more question at the moment. Did you question the legality of bylaw No. 7 transferring your power to officials who were no longer under the jurisdiction of the Canadian Commercial Corporation?

Mr. LAMOUREUX: Well, before bylaw No. 7 was enacted I wrote to the hon. minister telling him I felt that the reorganization and the transfer of the corporation to the department, so far as I could see it, was not quite in line with the way I understood the act.

Mr. WINCH: Do you have a copy of that letter here?

Mr. LAMOUREUX: Yes, I have a copy of it here now.

Mr. WINCH: Mr. Chairman, may I ask that it be read and tabled.

The CHAIRMAN: This is an internal document. I do not think it is customary that documents of this type be tabled in the house.

Mr. WINCH: It is pretty important to us, is it not?

Mr. LLOYD: Mr. Chairman, may I raise a question of procedure. I am becoming a little concerned that the function of this committee is quite different from the way we have interpreted our terms of reference in the past. It seems to me we are getting into sort of an investigation and away from identifying broadly questions of policy. If this question is to bring out information which will enable us to appraise the policy, then it is all right; but if it spills over into judging the relative judgment decisions of the minister in connection with the corporation and its personnel, then I think we are going beyond our role.

The CHAIRMAN: I think we are dealing here with a reorganization.

Mr. LLOYD: Mr. Lambert has made an observation that until we deal with matters in Halifax—what was your observation?

Mr. LAMBERT: Personally I feel this is a question of general policy in dealing with the Canadian Commercial Corporation, and that there is a policy decision being looked at by this committee and, therefore, I am not at all happy about any gags.

The CHAIRMAN: It is perfectly in order to question on and discuss the reorganization and the reasons behind it. I think, however, we should remember that as a matter of practice it has been our procedure in the past—and I think we should follow it—to ask a Civil Servant questions of fact and discuss the policy aspect with the Minister. Therefore, I would suggest you are at liberty to ask the minister questions with regard to the reasons, and the question that you just put.

Mr. WINCH: Mr. Chairman, I would like to use your own argument and reasoning in what you just have said. The purpose of this committee is to discuss what is going on, the policy and the reasoning. Surely, in respect of policy and reasoning as it concerns a crown corporation established by statute, if there has been a change, then we are entitled, to use your own term, to the facts, and the facts are as admitted now by the president of the corporation that he questioned the legality of certain policy procedure. Surely that is a fact along the line you, yourself, just spoke about.

The CHAIRMAN: Mr. Winch, you asked that a letter from the President of the C.C.C. to the minister responsible be tabled?

Mr. WINCH: In which he questioned the legality.

The CHAIRMAN: I would suggest that rather than ask for the tabling of that sort of correspondence you should question the Minister about it.

Mr. LAMBERT: On that point, will the minister table the letter? Let him make the decision on this. I quite agree that Mr. Lamoureux is in a difficult position about that, but if the minister wishes, he can do so. I also am very interested in this letter.

Hon. C. M. DRURY (*Minister of Defence Production*): I think this would be establishing a very bad precedent. The advice given the ministry by officials and the recommendations they may make or not make always has been regarded as an internal matter and, as such, privileged.

Mr. LAMBERT: This is all I want on the record. The minister is making the claim of privilege in respect of the document. It is not up to Mr. Lamoureux as president of the corporation to claim privilege, but the minister is. What we think of it is another question.

The CHAIRMAN: Would you like to proceed with your questioning, Mr. Winch.

Mr. WINCH: I will let it go for now. I have some other questions for later.

Mr. DRURY: On that point, I may say that the advice of the law officers of the crown on the matter of the legality of this was sought and the legal opinion, as Mr. Lamoureux will confirm, was that this is within the terms of the relevant statutes.

Mr. LAMBERT: I am directing this question to the minister. On page 1005 of the Minutes of Proceedings and Evidence it indicates that the personnel of the Canadian Commercial Corporation were transferred from the corporation and placed in the Department of Defence Production by the Civil Service Commission at the request of the Department of Defence Production. Did the minister give any directions that this should be done?

Mr. DRURY: Yes.

Mr. LAMBERT: Under what authority?

Mr. DRURY: The authority which presides in the minister to reorganize or organize both the Department of Defence Production and the Canadian Commercial Corporation.

Mr. LAMBERT: I would put it to you that the C.C.C. is a creature of parliament by a statute and the corporation reports to parliament through the Minister of Defence Production. If, under the act which sets up the corporation, the Minister of Defence Production merely reports to parliament, may I ask the minister where he derives his authority to go over the head of the president of the corporation as indicated in bylaw No. 5, which is the properly constituted authority for the duties of the personnel of the corporation; where do you derive your authority to direct that the personnel shall be transferred or placed elsewhere?

Mr. DRURY: Well, I hope Mr. Lambert does not insist on his statement concerning going over the head of the president. The affairs of the corporation, as in any corporation, are run by the board of directors. As the committee will recollect, bylaw No. 5 was modified by bylaw No. 6 in March of 1963, and subsequently modified again by another bylaw in the fall of the same year, a bylaw enacted by the corporation. In respect of the authority of the minister to direct the corporation, we see in section 6 of the act:

> (1) The corporation may, notwithstanding the Civil Service Act or any other statute or law, employ such officers or servants as it deems necessary to carry out this act and may determine their conditions of employment and their remuneration, which shall be paid by the corporation.
>
> (2) The corporation has, under the minister, the control and supervision of the officers and servants employed under this act.

I would underline the words "the corporation has, under the minister".

Mr. LAMBERT: I do not have a copy of the act before me. Is the minister's duty with regard to the corporation that of reporting to parliament on behalf of the corporation, or are the minister's duties with regard to the corporation more extensive?

Mr. DRURY: Well, there is a rather more general provision in relation to your question, which is section 4, subsection (2) of the act which provides:

> The corporation shall comply with any general or special direction given by the governor in council or the minister with reference to carrying out its purposes.

Mr. LAMBERT: Is that the relevant provision of the statute to which you refer when you say the minister has the authority to deal with the corporation?

Mr. DRURY: Yes.

Mr. LAMBERT: May I point out that another crown corporation, where there is similar wording feels it does not. However, I will make that just as a side comment.

The next point arising out of the minister's answer is in respect of bylaw No. 6. Incidentally, this bylaw was strictly a signing authority bylaw passed when this administration was not in office. Was bylaw No. 7, which is a complete reorganization of the corporation in its corporate framework within its own bylaws, passed prior to the direction by you as minister to the Civil Service Commission that positions would be found for the personnel of the corporation within your department or elsewhere?

Mr. DRURY: The reorganization of the corporation as reflected in bylaw No. 7 carries with it the necessary consequence that personnel on the payroll of Canadian Commercial Corporation no longer would be carried on that payroll.

As a consequence, as their services were needed, positions were sought for them within the Department of Defence Production and indeed, as bylaw No. 7 recognizes, there is the transfer of the operating functions of the corporation from the corporation itself, or the carrying out of functions by people under the control of the corporation, and they would discharge substantially the same functions by being put under the control of the Department of Defence Production.

I might point out, Mr. Chairman, that in a sense the first step, and a large step in this direction to be taken—if you will look at bylaw No. 6, you will see the signing authorities for bid, proposal, or quotation. Colonel Lake was

an employee of the Department of Defence Production. Mr. Thom was with the Department of Defence Production. Mr. Lamb—I am sorry Mr. Tevlin, and Mr. Gilchrist were both employees of the Department of Defence Production, not of the corporation.

In the case of a contract between the Canadian Commercial Corporation and a foreign government, or with a domestic supplier where the value exceeds $50 thousand, the signing authority for it was the president and a director of the corporation.

Mr. LAMBERT: This constituted them as agents on behalf of the corporation.

Mr. DRURY: Well, as signing officers.

Mr. LAMBERT: I have been a signing officer for corporations for whom we did legal work in our office, and it was provided for by a minute or a bylaw.

Mr. DRURY: That is right.

Mr. LAMBERT: This is merely an administrative matter, and I suggest one cannot confuse it with the bylaw of December 18, 1963, because this is a fundamental reorganization. Certainly bylaw No. 7 bears no relationship to either the principle or otherwise of bylaw No. 6. What I am asking you is this: was there any minute of the board of directors authorizing the transfer of personnel or anything beyond bylaw No. 7 which more or less cuts the throats of the personnel of the board?

Mr. DRURY: Well, you will forgive me if I take exception to this language, cutting the throat of the board.

Mr. LAMBERT: All right, I will not use such a grave expression. But in fact it removed the powers and left it only a shell. Now, are there appropriate minutes of the board with regard to these matters?

Mr. DRURY: Well, of course there are.

Mr. LAMBERT: The committee does not know that.

Mr. DRURY: I am answering the question. Of course there are; and there was an examination by the law officers of the crown of the steps that have been taken leading up to the second point, the enactment of bylaw No. 7, with the opinion or ruling that they had been properly and legally carried out.

Mr. LAMBERT: At the time of the passing of bylaw No. 7 who were the members of the board of the Canadian Commercial Corporation?

Mr. DRURY: At the time it was the president, Mr. Lamoureux, Mr. Bland, Mr. Erskine, Mr. Huck, and Mr. Mundy.

Mr. LAMBERT: With the exception of Mr. Lamoureux, all the others are members of the Department of Defence Production.

Mr. DRURY: Mr. Bland is president of Defence Construction (1951) Limited.

Mr. LAMBERT: Was bylaw No. 7 passed at your request?

Mr. DRURY: I would not say that I made a specific request for the passage of bylaw No. 7. This was one of the procedural steps, one of the necessary steps, in executing the recommendations of the Glassco Commission to maintain the legal entity of the Canadian Commercial Corporation, but to have its operations carried out by employees of the Department of Defence Production.

Mr. LAMBERT: All right. I have another area to explore, but I shall stand it at this time.

Mr. WINCH: I have a supplementary question of Mr. Lamoureux, and in view of the questioning we have had, might I ask Mr. Lamoureux, in view of

his statement that he did submit a document which is to be put on file, on what basis, he, as president, therefore, signed as president? Bylaw No. 7 completely superseded bylaws 5 and 6.

Mr. LAMOUREUX: Well, at a meeting of the board on Wednesday, December 18, 1963, I objected, and I made my reasons very clear in the minutes of the meeting, although I was advised by the legal officer; that is, the legal officer from the corporation who is the head of the legal branch in the Department of Defence Production that everything was in order, but still I felt that I should raise objection and I did so.

Mr. WINCH: May I put it this way: under bylaw No. 7, of December 18, 1963, you signed as president, although objecting, but because of the majority of the directors it was decided.

Mr. LAMOUREUX: Yes, of course.

Mr. WINCH: That is a fair way to put it?

Mr. LAMOUREUX: Yes, that is a fair way to put it. Normally I would go along with the majority, and the majority of the board of directors agreed.

Mr. WINCH: But you as president at the same meeting on December 18 had objected, as such?

Mr. LAMOUREUX: Yes.

Mr. GROOS: May I ask a supplementary question?

The CHAIRMAN: Yes, but before you do may I say I have no other questioner who has not previously asked questions. Unless somebody who has not questioned the witness up to this point wishes to ask a question, I shall revert to Mr. Winch who had asked for a second go. You may ask your supplementary question now.

Mr. GROOS: With respect to bylaws Nos. 6 and 7 here, I would like to ask the minister if he could give us his idea of the improvements that were effected in the way of awarding contracts and effecting contracts by agents, which resulted from bylaws Nos. 6 and 7?

Mr. DRURY: Well, as I think has been indicated to the committee on prior occasions, consultations, technical explanations, and negotiation of contracts have increasingly been carried out by officials of the Department of Defence Production, and the role of the Canadian Commercial Corporation has been rather limited to that of preparing, if I may use the term, back to back contracts. That is a contract between a foreign government and a Canadian corporation which corresponds to the contract negotiated between the Canadian contractor and the Canadian Commercial Corporation. Negotiations on behalf of the Canadian Commercial Corporatin were and are carried out by officials of the Department of Defence Production.

Now, all the work including the preparation, scrutiny, and checking of back to back contracts is done in the name of the Canadian Commercial Corporation in the department, or in a section or division, which is responsible for the negotiations themselves rather than in another administrative unit. Thus the concentration of effort has reduced in my view the possibilities of gaps occurring, and has also led to more economy in the way of personnel.

The CHAIRMAN: As I suggested a moment ago, there is no one who has not yet asked a question on my list, and I now revert to Mr. Winch. Oh, I am sorry, Dr. McMillan would like to ask a question.

Mr. MCMILLAN: I would like to ask Mr. Lamoureux if he thinks that in this organization everything was legal, as far as he was concerned?

Mr. LAMOUREUX: Well, as president of the corporation from November 1960 until November 1, 1963, definitely everything was legal.

Mr. MCMILLAN: And the takeover too?

Mr. LAMOUREUX: On the takeover I must admit I differed in opinion; it was somewhat different from what I was led to believe.

Mr. MCMILLAN: But there was no place where you think it was illegal. It was only a difference of opinion?

Mr. LAMOUREUX: Well, no, it was legal.

Mr. WINCH: Mr. Chairman, in the statement made this morning by Mr. Lamoureux confirming what was said two weeks ago, he said that the functions of the corporation were taken over in November of 1963 by the Department of Defence Production. And we have also heard more than once from Mr. Lamoureux that he has never signed any documents since that time. That being the case, I would like to ask the minister if he is now prepared to answer the question which I asked him two weeks ago, which he promised to do at this meeting. Who now is signing? Who has signed and is signing all documents or contracts, whether it be with the Colombo plan or anything else? And why is it not the president of the corporation?

Mr. DRURY: Well, in response to the second question, Mr. Chairman, bylaw No. 6 indicates, for the reasons which Mr. Lamoureux gave, the increase in the number of signing officers.

Mr. WINCH: But who signs it?

Mr. DRURY: Bylaw No. 6 lists the signing officers as of that date, November 1963, and the bylaw clearly lists them. There are a number of signing officers in addition to the president who have full authority to sign with him. I have here a document dated August 18, 1964, issued by the secretary of the Canadian Commercial Corporation under the seal of the corporation, giving a list of individuals who are authorized to sign invitations for bids, contracts and amendments, contracts and amendments less than $50,000, and contracts and amendments provided the value is less than $10,000.

I also have a document, which I will be glad to table, dated May 27, 1964, signed by myself, providing the signing authorities for cheques, drafts, notes, bills of exchange, and so on.

Mr. WINCH: Could I ask a question?

The CHAIRMAN: If I may interject at this point, Mr. Winch, are the members of the committee agreeable that these documents should be tabled and printed in the evidence at this point?

Some hon. MEMBERS: Agreed.

The documents follow:

CANADIAN
COMMERCIAL CORPORATION
Ottawa 4, Canada

LA CORPORATION
COMMERCIALE CANADIENNE
Ottawa 4, Canada

August 18, 1964

TO WHOM IT MAY CONCERN:

The undersigned, F. F. Waddell, Secretary of Canadian Commercial Corporation, hereby certifies, under the seal of the corporation, that the persons listed

below have full authority, pursuant to the bylaws of the corporation, to sign, on behalf of Canadian Commercial Corporation, the documents mentioned below, within the respective amounts stated.

(A) Invitations for bid (IFB), proposals and quotations, regardless of the value, the following:

A. K. Aspden
D. R. Beardshaw
D. H. Gilchrist
E. M. Heath
B. Lake
E. M. Lamb
R. J. Powell
R. M. Trites

(B) Contracts and amendments regardless of the value, the following:

A. D. Belyea
J. R. Brisson
S. I. Comach
F. Dugal
D. M. Erskine
J. S. Glassford
D. F. Gray
A. M. Guerin
R. D. Hindson
R. C. D. Laughton
N. B. MacDonald
A. H. Mathieu
J. J. McKennirey
G. P. O'Keefe
K. O. Roos
M. Rudge
J. C. Rutledge
J. J. Tennier
D. L. Thompson

(C) Contracts and amendments, provided the value is less than $50,000.

A. W. Allan
D. L. Anderson
R. W. Andrews
W. T. Andrews
J. Apperson
E. W. Atkinson
L. W. Bonhower
E. A. Booth
W. A. Boyce
J. P. Boys
M. F. Bradford
N. A. Bradford
J. T. Brazeau
J. S. Brown
J. L. Bush
J. W. Cameron
J. F. Candow
W. H. Chandler
D. M. Collins
A. E. J. Combley
E. M. Comerford
J. E. Cooper
F. J. Corrigan
W. E. Craig
J. K. Cunningham
J. P. Dallaire
J. M. Davies
D. E. Daye
D. J. DeLisle
J. C. Devlin
G. C. Doms
P. J. Donovel
H. C. Douglas
W. J. Driscoll
C. A. Drouin
J. R. Dupont
N. H. Fink
M. A. B. Fleming
J. G. Ford
D. H. Gilchrist
D. F. Gray
D. A. Hall
D. H. Hand
J. W. Harrison
R. C. Herrin
R. T. Hilyer
G. S. Hincks
G. E. Hughes-Adams
M. J. Kennedy
A. Kielland
J. R. Killick
E. J. Lacroix
J. L. Lafontaine
C. Lamb
M. R. Lemelin
G. R. Logan
J. Longhurst
E. P. Loveridge
W. H. Luetchford
L. A. Lynch
A. A. Macintyre
H. J. Mackay
W. H. Mackey
H. MacMillan
G. C. Manuel
W. H. Mayo
M. J. McGrath
G. F. McKay
K. H. McNeely
A. Michaels
LeB. Mitchell
P. A. Mondor
R. Mosher
J. F. Murphy
W. F. Murphy
D. A. Myhill
H. Newberry
J. A. Nicas
W. B. Nind
S. J. Noad
W. G. O'Brien
R. Patel
S. S. Payne
R. L. Peppy
S. A. Radley
W. W. Reid
M. L. Reynolds
S. P. Roper
G. C. Rowe
C. D. Ruppel
R. P. St. Pierre
D. R. Scott
T. G. Sewell
G. S. Sheraton
M. J. J. Simoneau
R. A. Skuce
C. J. K. Smith
W. F. Smith
M. Standish
P. Stevens
D. Stewart
H. F. Stillwell
L. H. Stopforth
A. M. Swan
D. A. Swanson

G. E. Torpey
F. H. Turner
P. E. Valiquette
L. A. Vance
P. G. F. H. van der Brugh
G. W. Vanderwater
D. B. Wallace
R. D. Wallace
H. E. Waylett
J. W. Webber
W. T. Weir
G. F. Whiteside
G. C. Wilson
A. Wolchock
A. K. Woodill
R. J. Woods
C. M. Wright

(D) Contracts and amendments, provided the value is less than $10,000.00, the following:

J. P. Barber
R. G. Bastow
L. R. Berlinguette
C. C. Brown
J. A. Byrne
O. J. Carroll
G. F. Carter
N. K. Crowder
M. Cushman
W. Daly
L. A. W. Davis
J. C. Desislets
M. K. Donaldson
W. J. Dubroy
R. Dupre
D. Eastwood
J. W. Elliott
K. P. Ellis
E. C. Farant
A. G. Farrell
E. C. Gage
J. L. Gohier
R. A. Green
F. Haley
R. F. Jacob
R. R. Lajoie
D. S. Lunan
H. E. MacFarland
O. I. Matthews
F. J. MacNaughton
F. G. McNeely
D. G. Mitton
E. W. Montgomery
D. W. Palmer
I. J. L. Palmer
D. W. Parker
S. G. Pink
R. A. Rich
T. C. Routh
S. Shapiro
H. J. Sloan
E. O. Smith
G. M. Spencer
G. Steel
E. C. Styles
V. E. Tant
P. R. Turner
A. J. Turpin
E. D. Way
F. G. White
E. S. Wood
W. J. Wright
V. Zinck

(E) Change Order Cost Proposals, Priced Exhibits, Termination Settlement Agreements, Royalty Reports, Reports of Inventions and Subcontracts, Release Statements and Assignment of Rebates and so on, with respect to the above contracts, the persons listed under (A) (B) and (C) above, within the respective contract values therein mentioned.

(SEAL)

F. F. Waddell
Secretary
Canadian Commercial Corporation

MINISTER OF INDUSTRY

MINISTRE DE L'INDUSTRIE

CANADIAN COMMERCIAL CORPORATION

Signing Authority for Cheques, Drafts, Notes, Bills of Exchange, and so on.

Pursuant to paragraph 11 of Bylaw No. 7 of Canadian Commercial Corporation which was approved by Order in Council P.C. 1964-663 of 7th May, 1964 and pursuant to Section 8 of the Department of Industry Act, I hereby make the following designation as to the persons who shall have authority to draw and accept drafts, and to sign cheques, promissory notes,

bills of exchange, letters of credit and orders for money in respect of the bank accounts of the Corporation and in respect of the transactions of the Corporation, including documents for deposit to the Corporation's credit; namely:

any Director of the Corporation; or
the Secretary of the Corporation; or
the Deputy Director, International Programs Branch, Department of Defence Production;

signing together with

the Comptroller of the Department of Defence Production; or
the Deputy Comptroller of the Department of Defence Production; or
Mr. B. V. Duffy of the Comptroller's Branch, Department of Defence Production;

provided, that cheques on the Bank of Nova Scotia's Special Payroll Account may be signed by affixing a facsimile signature of the Comptroller of the Department of Defence Production without any further signature or facsimile signature; and provided, further, that as long as the maximum balance in the Interest Account in Riggs National Bank, Washington, D.C., does not exceed $850.00, such account may be operated by the Comptroller, Department of Defence Production (acting alone) or by such employee (acting alone) of the Washington office of the Corporation or of the Department of Defence Production as may be designated by the Comptroller; all previous signing authorities in respect of the matters set out above are hereby superseded.

This signing authority is dated the 27th day of May, 1964.

(Sgd) C. M. Drury,
Minister.

Mr. WINCH: Mr. Chairman, I would like to direct a question through you to the minister. With all the signing officers you have will you give a direct answer to a direct question?

Since November, 1963, if we take the evidence of Mr. Lamoureux, at no time whatsoever has he, as president of the Canadian Commercial Corporation signed a solitary document. Is this empire building inside your department or are you in some way trying to downgrade the position of the president of the Canadian Commercial Corporation?

Mr. DRURY: You asked a number of questions, Mr. Winch. First, you asked would I give a direct answer to a direct question. Yes, Mr. Chairman, I will give a direct answer to any direct question. Second, Mr. Winch asked are we trying to empire build. The answer is no. The third question was, are we trying to downgrade the—

Mr. WINCH: The president of the Canadian Commercial Corporation?

Mr. DRURY: —the president of the corporation. The answer is no.

Mr. WINCH: Right. Then, why it is that the president of the Canadian Commercial Corporation, which is a crown agency operation now with himself and one secretary, does not sign any documents?

Mr. DRURY: Because, Mr. Chairman, Mr. Lamoureux's present duties, as he indicated, are to act as adviser on export possibilities on defence equipment to the Department of Defence Production. This is his activity, not the routine administration of contracts which have been negotiated by others, or the transaction of financial matters which have been organized by others, notably

the comptroller of the corporation, who is also the comptroller of the Department of Defence Production. To do so would be to ask Mr. Lamoureux to sign blindly documents and contracts for which he has no personal responsibility in either drafting or negotiating.

Mr. WINCH: The minister is keenly interested, according to talks he has given and, of course, his responsible position, in the work and the responsibility of the Canadian Commercial Corporation, and I would like to ask the minister how often approximately since November of 1963 has he sought the advice of the president of the corporation?

Mr. DRURY: That, Mr. Chairman, I would regard again as following under the general ban in respect of seeking to inquire into the question of advice given or not given to a minister by his officials.

Mr. WINCH: Have you sought the advice?

Mr. DRURY: Of course.

Mr. WINCH: Often?

Mr. DRURY: I will not go any farther than that.

Mr. WINCH: I did not think you would. May I ask a question then under defence production? In defence production and Canadian Commercial Corporation do you have any policy whatsoever since you took over as minister, with the resultant granting of hundreds of millions of dollars in contracts, in respect of either laying down a policy position or making inquiries whether or not any of those who have this responsibility with regard to contracts do not hold shares in companies they deal with, nor hold any position whatsoever whereby they can be influenced?

Mr. DRURY: Would you rephrase that question?

Mr. WINCH: Well, I will rephrase it this way. A few years ago cabinet ministers were asked not to be directors of corporations because of their positions as cabinet ministers. Now, here we have the Department of Defence Production tied in with the Canadian Commercial Corporation in the allocation of contracts. Is any inquiry made as a matter of policy to ensure that those in the employ or previously employed by the Canadian Commercial Corporation but who are now working with Canadian Commercial Corporation and the entire structure of defence production have no interest in the companies with which they are dealing? Now, Mr. Drury, you know the reason I am asking the question, without my having to go into any further details.

Mr. DRURY: I do not, to be quite frank.

The government regulations are quite explicit about prohibiting any conflict of interest, and it is expected that an official of the government will not get into a position where he would be exercising a judgment in matters in which he had a personal pecuniary interest.

Mr. WINCH: That was also the case in respect of two R.C.M.P. officers, and this is my purpose for asking the question.

The CHAIRMAN: Mr. Winch, I think you are going beyond the limits in this respect.

Mr. ASSELIN (*Notre-Dame-de-Grâce*): I agree with you, Mr. Chairman.

Mr. WINCH: It is because of that position I put the question. What is the position in your department?

Mr. DRURY: The position is that if any such conflicts of interest are discovered they are prosecuted to the full extent of the law.

Mr. WINCH: But you do not make it a part of the policy of your department that there should be a statement to the effect that those who are dealing in these millions and hundreds of millions of dollars contracts should have no interest whatsoever by investment or otherwise?

Mr. DRURY: I do not think there is any such statement in respect of the precise language you have used, but I would have to inform myself. But, I do know the regulations prohibit a conflict of interest which may arise.

The CHAIRMAN: If you are finished, Mr. Winch, Mr. Lambert is next.

Mr. LAMBERT: Is the result of bylaw number 7 merely a legal framework whereby officials of the Department of Defence Production actually are conducting state trade or engaging in some form of commercial business on behalf of the crown or other persons, but hanging it on a legal peg of the corporation?

Mr. DRURY: That is correct.

Mr. LAMBERT: One of my colleagues is having the records checked, but have you referred at all to the statement of your predecessor in 1946, when the Canadian Commercial Corporation Act was introduced, to show the stated purpose of the corporation and its functions and, if so, have you reconciled within your own mind the operations of the corporation as they are today with what was the stated purpose to parliament of this corporation.

Mr. DRURY: I think I have, yes, Mr. Chairman.

Mr. LAMBERT: And, you are satisfied that it is working and that this was the purpose granted by parliament?

Mr. DRURY: That it is serving the purpose authorized by parliament. Now, the circumstances described by the minister in introducing the act obviously were quite different from the circumstances of today and, consequently, would not be either appropriate or, indeed, relevant to today's circumstances. I suggest perhaps that is the reason why in the act itself some of the clauses are mandatory and some are permissive, and they were made permissive to allow for the inevitable change of circumstances without making the act virtually inoperative.

Mr. LAMBERT: You, Mr. Drury, in answers to my previous questions referred to paragraph (c) of clause 4 of the act, which says: "to exercise on behalf and under the direction of the minister." You were at pains to underline "on behalf and under the direction of the minister" but then, I have a further wording: "any powers or functions vested in the minister by any other act that authorizes the minister to employ the corporation to exercise them." In other words, this is an ancillary power and an ancillary purpose of the corporation because paragraphs (*a*), (*b*) and (*d*) are the true purposes of the corporation, although (*d*) is a sort of basket provision. I would put it to you, Mr. Drury, that to take the ancillary clause "on behalf and under the direction of the minister" is to use a somewhat shaky base on which to state that the minister has the direction of the corporation.

Mr. DRURY: Well, I will not endeavour to debate the legal point, Mr. Chairman, but I would like to suggest that I was speaking not about clause 4 (1) (*c*) but clause 4 (2).

Mr. LAMBERT: Yes, I grant you that there is a direction that they will comply with any general or special direction given by the governor in council, Mr. Drury, with reference to carrying out its purposes, but this is not the purpose of the corporation. I would put it to the minister that there is a good and substantial argument that what has been done may stand some examination. That is why I suggest to you that this committee is doing this, and perhaps the house itself, parliament itself, may be interested in the function of the corporation under the terms of the act.

I am not saying that what the corporation is doing now is wrong, but I think Mr. Winch and Mr. Martineau the other day suggested the act should have been amended in order to carry out the program of the reorganization. I think I would commend that thought to the minister. The minister I think

should have this point re-examined to see whether in all wisdom that should not be done.

Mr. DRURY: I would be quite prepared to have it re-examined, Mr. Chairman.

The CHAIRMAN: I wonder if I might interject with two questions, Mr. Lambert, to clarify this. I am thinking now of the problem of drafting a report.

I would like to ask the minister, if I may, first of all whether in his opinion it is not necessary to amend the act to operate as you are. In other words, you are operating now legally within the provisions of the act.

Mr. DRURY: I have been so advised by the law officers of the crown.

The CHAIRMAN: Secondly, in your opinion would it or would it not be desirable to amend the act?

Mr. DRURY: This is a question of judgment, I guess. It is useful to have an act which is broad enough in its scope and broad enough in its permissive allowances to change our operating procedures as circumstances change. Indeed, the circumstances since the enactment of this legislation have changed very largely indeed, as has been outlined in the committee.

Initially, this corporation performed all the functions of the embryonic Department of Defence Production, and it was a revenue-earning operation. Since then, two major things have happened. One is that the Department of Defence Production has come into being and has established a series of specialized functions on a much higher degree of competence than would have been possible for the corporation.

Secondly, because of a change in international practice it is no longer feasible for the Canadian Commercial Corporation to contemplate earning revenue with which to support its expenditure. The act could be modified to adjust it more appropriately to current circumstances. One would hope that this change would be made without impairing its flexibility to cope with circumstances that may change again, but I would not regard this as a high priority in the legislative calendar. With the number of things that we have now on the order paper, both for the present and the next prospective session, I would not suggest that this was one of the most urgent things we should be getting on with.

Mr. LAMBERT: May I follow up?

Can you indicate to us when the governor in council approved bylaw No. 7 pursuant to section 11 of the act?

Mr. DRURY: This was order in council P.C. 1964-663:

> His Excellency the Governor General in Council, on the recommendation of the Minister of Industry, pursuant to section 8 of the Department of Industry Act and section 11 of the Canadian Commercial Corporation Act, is pleased hereby to approve the annexed by-law No. 6 and by-law No. 7 of the Canadian Commercial Corporation made by the corporation on the 19th March, 1963, and the 18th December, 1963, respectively.
>
> (Sgd) R. G. Robertson,
> *Clerk of the Privy Council.*

Mr. LAMBERT: Would the minister table a copy of that order in council?

Mr. DRURY: I would be glad to, Mr. Chairman.

Mr. LAMBERT: Perhaps you could also give us some indication about the gap between December 18 and May 7, the time which elapsed before obtaining the approval of the governor in council of bylaw No. 7, Bylaw No. 7 was filed on December 18; it was presumably decided upon at the board meeting

prior to that date. It received the conditional and the preconditional sanction of the governor in council only on May 7, 1964.

Mr. DRURY: Yes. As a lawyer, Mr. Lambert will appreciate that where there is no statutory delay, ratification becomes a matter of routine. In this particular case there is no time limit within which ratification must be secured—and this is ratification, not preconditioned approval. In these circumstances, it would go through the normal machinery of preparation, of submission to the governor in council, scrutiny by the law officers of the crown and so forth and so on, and finally approval.

Mr. LAMBERT: You might also agree, Mr. Drury, that it would be possible for the whole of the corporation to have gone down the drain in the interval. I would put it to you that this is not a mere routine. The approval of the governor in council of these changes is not a mere matter of routine. This is something that is put there to guard against what one might call improper action by the board—improper to the point of being unwise judgment. Because, after all, the bylaws—

Mr. DRURY: I will not agree with that. I think the purpose of this ratification by the governor in council is to engage the responsibility of the governor in council, to engage the responsibility of the government for the bylaws that have been enacted.

Mr. LAMBERT: But you would also agree, Mr. Drury, that the board of directors and the president of the corporation could have enacted new bylaws without the knowledge of the governor in council which would have been very detrimental—I am setting up a hypothetical case here—both to the purposes of the corporation and the activities of the corporation, and yet you say it is merely routine that six months later the governor in council gets a look at these things. That is why I say it is illogical to assume that it is mere routine.

I put it to you that the purposes as stated in the act are that the bylaws will have the approval of the governor in council before they are put into effect. Six months seems to me to be quite out of line or else section 11 is meaningless.

Mr. DRURY: I think what Mr. Lambert is suggesting is that there should be some delay within which ratification should be sought. In some cases our statutes do provide for these delays.

Mr. LAMBERT: They may in appropriate cases, Mr. Drury, but I put it to you that in the case of a crown corporation this section is not meaningless to the point where it is merely routine ratification, and the officers of a crown corporation are glad to see such a provision that action will be taken with the approval of the governor in council—and that routine, you know, can delay from one month to a year, by which time a whole corporation can be ruined.

Mr. DRURY: To avoid the impression, I think, that you may be unwittingly creating that we were lethargic about this, I should say that you will recollect that the president at the time of the enactment of this bylaw raised questions of its legality. This called very broadly for an examination by the Department of Justice of the whole business, and the rendering of an opinion by the Department of Justice. I think you have been around long enough to know that—

Mr. LAMBERT: —that this takes time, yes. But, Mr. Drury, I will then ask whether the reorganization of the corporation was held up during that six months period, or did you proceed then to effect the plan you had?

Mr. DRURY: During this period we proceeded to put into effect the plan we had, relying on the advice of the legal officer of the Department of Defence

Production, who was also the legal adviser to the corporation, that what had been done was legal and that indeed the Department of Justice in due course would get around to confirming this.

Lest you worry about that, let me say that theoretically the legal opinion of the department's law officers perhaps should be tested by the courts. Indeed, perhaps it should be tested by a reference to the Supreme Court of Canada. Perhaps we should do nothing and just make no move at all until there has been a reference to the supreme court because of this hypothetical possibility.

Mr. LAMBERT: It strikes me, Mr. Drury, this course of action you have taken reminds me of some clients who used to come to me and say, "Now, we have done this; you find a way for us to make it legal."

Mr. DRURY: And those clients probably were pretty good businessmen.

Mr. LAMBERT: You are bound within the framework of the statute.

Mr. DRURY: That is quite correct, and I suggest everything that has been done was within the framework, and properly within the framework of that statute.

Mr. LAMBERT: But not within the meaning of section 11. I would have thought that it would have been far wiser to make sure that I had the approval if I were reorganizing the corporation, and that it was possible. I have known of other corporations which hoped to be able to effect a reorganization and it was all done on paper until they got the legal opinion and had it confirmed.

Mr. DRURY: You mean having got your legal opinion then having it confirmed by another counsel?

Mr. LAMBERT: No, this is within the public service. I am not calling that into question. This was all within the public service.

Mr. LLOYD: Not being a member of the bar, some of these finer points may be escaping me and perhaps I am lacking in some duty I ought to perform, but it would seem to me when a member of a committee questions a legal opinion of the Department of Justice that other procedures than those we are following now should be followed. It should not be followed up here to ascertain whether it is correct.

The CHAIRMAN: Mr. Lloyd, I agree this Committee is not the place to indulge in legal arguments of a fine nature. Mr. Lambert's line of questioning, however, was to determine whether legal procedures had been followed and I believe, as far as he has gone, we have not yet got down to really challenging the opinions of the legal advice that was given. Therefore, I think we are in order, although I have some doubts of the benefits we can gain by following this too far.

Mr. LAMBERT: I have gone as far as I want on this particular question, Mr. Chairman.

Mr. WINCH: I have two more questions Mr. Chairman.

A submission was filed by the minister which I have read, but I would like to put a direct question to the minister.

Can the minister tell us how, after November of 1963, on the second change being made, the president of Canadian Commercial Corporation being left by himself with a secretary, the purchasing knowledge and the many years' experience of Canadian Commercial Corporation are being used officially for in the Department of Defence Production? I can put it quite bluntly now, because the evidence of two weeks ago shows that the assistant general manager is not being used in any way whatsoever in that regard. Does this apply to others who have a similar experience of 25 or 30 years?

Mr. LAMOUREUX: Is the question directed to me or to the minister?

Mr. WINCH: To the minister, first.

Mr. DRURY: In front of me I have a copy of a memorandum relating to the terms of reference of the president of the Canadian Commercial Corporation which I will read to the hon. member:

> With complete integration into Department of Defence Production of the working functions of Canadian Commercial Corporation, the office of President of Canadian Commercial Corporation is retained separately and re-established in a defence export market advisory role directly responsible to the Department of Defence Production A.D.M. in charge of Department of Defence Production defence export activity.
>
> Without day-to-day management responsibility which becomes a Department of Defence Production function, the President of Canadian Commercial Corporation will be expected to devote his entire attention to identification and assessment of defence export market opportunities.
>
> *Specifically*
>
> Acting under the direction of the Department of Defence Production A.D M. responsible for Department of Defence Production defence export activity:
>
> (*a*) Maintain an up-to-date knowledge of the defence R.D.P. Capabilities of the various sectors of Canadian industry and of special capabilities which have good defence export potential.
>
> (*b*) Maintain a thorough knowledge of current Department of Defence Production defence export policies and procedures.
>
> (*c*) Engage in public relations activity with Canadian industry as required to support and promote Canadian sales of defence equipment abroad.
>
> (*d*) Provide advice as required on:
>
> (i) New defence export opportunities not currently receiving attention.
>
> (ii) New methods or procedures designed to make Department of Defence Production efforts in this field more effective.
>
> (iii) Defence export marketing problems generally.

These are the terms of reference indicating the new responsibilities of the president of Canadian Commercial Corporation to replace the efforts previously he had been devoting to administrative duties in respect of the personnel of the corporation.

Mr. WINCH: You still are not telling us how often since November you have consulted with the president.

Mr. DRURY: No.

Mr. WINCH: Then may I ask how often has he consulted with you or advised you?

Mr. DRURY: How many times has he been to my office? I do not think that is an appropriate question, Mr. Chairman.

Mr. WINCH: Will you answer my question with regard to what has happened to the others who had experience and knowledge in connection with Canadian Commercial Corporation. How many actually are used now? I am not referring to stenographers, clerks or secretaries, I am referring to the top officials of Canadian Commercial Corporation. Of those who have knowledge and experience in Canadian Commercial Corporation, how many are you using?

Mr. DRURY: I would have to go through the current employment of the whole 84.

Mr. WINCH: No. I am speaking of the tops, the assistant general manager and the executives.

Mr. DRURY: The assistant general manager now is in the emergency supply planning organization, and his function is, as you are well aware, to plan the supply of commodities and material needs of the Canadian economy in the event of a major disaster. I would suggest this does call upon his knowledge of Canadian manufacturing and supply.

Mr. WINCH: I see I am not going to obtain an answer, so I will move on to my next question.

Mr. DRURY: I already have dealt with one. Perhaps you might give me a chance and I could go on. One of the employees is in the general services branch of the Department of Defence Production.

Mr. WINCH: What is the general services branch; does it have to do with purchasing, and so on?

Mr. DRURY: The general services branch of the department is the branch responsible for the administrative arrangements in the department.

Mr. WINCH: What was his position in the Canadian Commercial Corporation?

Mr. DRURY: His job was general manager of the Canadian Commercial Corporation. Excuse me; not general manager, but executive assistant.

Mr. WINCH: He was not the assistant general manager either, because Mr. Harris was the assistant general manager. What was his job?

Mr. DRURY: It is Mr. Harris to whom I am referring, who now is with the emergency supply planning organization.

Mr. WINCH: I know it is getting on so I will just ask my last question. In defence production do you have anything to do with the general purchases of the Department of National Defence, or are you concerned only with capital expenditures like airplanes, guns, and so on; or do you have control over general purchases of the Department of National Defence?

Mr. DRURY: With the exception of the local purchasing authority for which is granted to officers of national defence, all other purchases are made on behalf of the Department of National Defence by the Department of Defence Production.

Mr. WINCH: That being the case, what is the relationship of your department with the quartermaster's office of the Department of National Defence in respect of purchasing?

Mr. DRURY: Good.

Mr. WINCH: Then how could a situation develop, such as a situation which is *sub judice,* if you do the purchasing; how could such a situation develop between the quartermaster's branch of the Department of National Defence if you are doing the purchasing?

Mr. DRURY: I am sorry; I do not know the circumstances of this particular case.

The CHAIRMAN: I think, Mr. Winch, this probably is outside the terms of reference of the Canadian Commercial Corporation; in addition, as you have mentioned the case to which you have reference is *sub judice.*

Mr. WINCH: I was not referring to the Canadian Commercial Corporation. We now are investigating the Department of Defence Production and I have an answer to the effect that not only do they deal with capital purchases such as guns and equipment, but also, outside of the local area, they do all purchasing for the Department of National Defence, and therefore there must be some relationship with the quartermaster's section of the Department of

National Defence. How could a situation develop such as the situation which has developed?

Mr. DRURY: First you would have to describe the situation to me.

Mr. WINCH: The case of Brigadier Allan.

The CHAIRMAN: This matter is *sub judice*. I think we will get the answer to this question as the trial progresses.

Mr. WINCH: I am not going into it; however, I am asking how could that situation develop in view of the fact that you make the purchases. What is the tie in between you and the quartermaster's department?

Mr. DRURY: Generally speaking the Department of National Defence issues its requisitions to the Department of Defence Production.

Mr. WINCH: Through the quartermaster's office?

Mr. DRURY: In some cases it is through the quartermaster general's branch, as the requisitioning authority within the Department of National Defence.

Mr. WINCH: But you make all purchases except local purchases?

Mr. DRURY: Yes, except for local purchases, we make them.

Mr. WINCH: We may have an interesting meeting some time later on, Mr. Chairman.

The CHAIRMAN: Do the requisitions for purchases coming from the quartermaster's branch sometimes carry recommendations with regard to the source of supply, or is this always left to the Department of Defence Production?

Mr. DRURY: The statutory authority for selecting the supplier resides with the Department of Defence Production. Sometimes these sources are limited in that the Department of National Defence writes the specifications for what is to be provided. They are responsible for drafting the specifications, and these can be specific; they can be general or they can be in a proprietary name.

Mr. WINCH: The Chairman asked a most interesting question, and I am very glad he did. When you say proprietary, does that mean that basically you have received a recommendation concerning where it should be purchased and because of the way it is written it could be purchased only from one place or company?

Mr. DRURY: If the Department of National Defence specifies the Ford motor car, it is unlikely we would be able to procure this from General Motors or Chrysler. That is what I call a proprietary name.

Mr. WINCH: Would you say it ever goes beyond that?

Mr. DRURY: Well now, what do you mean by beyond that?

Mr. WINCH: That it be bought from a certain firm.

Mr. DRURY: Unless, to the knowledge of the Department of National Defence the firm is the sole source of supply, we would not entertain recommendations with regard to source.

Mr. WINCH: The specification could be such that it has to be purchased from only one source of supply?

Mr. DRURY: This is correct; it could be.

Mr. LLOYD: Mr. Drury, at the inception of this program to phase out the administration operations of the Canadian Commercial Corporation to the Department of Defence Production it became obvious that the office of the president would shrink to that of purely a nominal position, essential to maintaining the corporate status of Canadian Corporation only. Being aware of this, certainly you would be concerned about the staff of the corporation who would be affected by this policy decision. At that time I presume the staff members were appraised of the policy and of the significance of the effect of

this move on their respective positions. Was the president offered any alternative position in other departments of government, or in the Department of Defence Production at the inception of this program?

Mr. DRURY: I wonder, Mr. Chairman, whether the committee really wants to go into this.

Mr. WINCH: How could you; by statute you must have a president of the corporation. Is that not right, Mr. Lloyd?

Mr. LLOYD: I am quite satisfied to stop here.

The CHAIRMAN: On your behalf, Mr. Lloyd, may I ask a question which might fill in a gap.

The technical functions of the president of the corporation could be fulfilled by any one of a number of people who were carrying on other jobs and responsibilities. Is that correct?

Mr. DRURY: That is correct.

Mr. LLOYD: That is why I said that it had shrunk to nominal positions only.

The CHAIRMAN: My second question is that other duties—without getting into any other options which may have been offered to the President of the corporation—were assigned to the President of the Corporation. Were they all new functions which had not been done before, including requirements of the Department of Defence Production, rather than of the Canadian Commercial Corporation?

Mr. DRURY: That is correct.

Mr. WINCH: As long as the Canadian Commercial Corporation Act is on the statute books, then by law you have to provide that corporation with a president. Is that correct?

Mr. DRURY: That is correct.

Mr. WINCH: Unless it be repealed or amended by law, you have to maintain that statute?

Mr. DRURY: You have to have a president.

Mr. LLOYD: But there is nothing in the law that you must continue to pay a salary at a certain level. I do not know what the present salary is.

Mr. WINCH: It is $16,000.

Mr. LLOYD: Certainly when you change the policy you do not continue to pay $16,000 a year to a man purely to occupy a position of nominal president.

Mr. DRURY: Obviously, and that is the reason the terms of reference I read out were issued, and Mr. Lamoureux was given substantially alternative responsibilities to his administrative one only to Canadian Commercial Corporation.

Mr. WINCH: Why will you not tell us—because you said you would not—how since November, 1963, under the terms of reference, you have been utilizing his services and he has been advising you?

Mr. LLOYD: I thought it was made quite clear this morning with the long list of the terms of reference for the position now held by Mr. Lamoureux, when it was read to this meeting. He was to be responsible in the future under those terms of reference to the Department of Defence Production, and his job as president was simply that of a nominal position to help maintain the status of the corporation. He had in fact changed his responsibilities from that of president with administrative responsibilities in the Canadian Commercial Corporation to that of an employee of the Department of Defence Production, along, or within the terms of reference which are set forth in the document read to us this morning, but he continued as nominal head or president of the corporation.

Mr. DRURY: That is correct.

Mr. LLOYD: That is the reason his salary has continued. Presumably if those terms of reference are being observed, he is performing, and I presume he earns the salary for the duties that he undertakes as an employee of the Department of Defence Production. Is that not right?

Mr. DRURY: Well, to be technically correct, he is not an employee of the Department of Defence Production. He is an employee of the Canadian Commercial Corporation, but there are duties and responsibilities which he has as adviser to the Department of Defence Production.

Mr. LLOYD: There are specifically new duties with which he was not charged prior to this change of policy.

Mr. DRURY: That is correct. I am glad you brought this up, because I think a grave injustice was done to Mr. Lamoureux, certainly in the newspapers, to say that he was drawing $16,000 a year and not doing anything.

Mr. WINCH: That was no statement of my own.

The CHAIRMAN: I might suggest from the evidence that has come forth that this was a possible and apparent interpretation of that evidence, and I think it is wise that it has been cleared up. It is past one o'clock, so the Committee now stands adjourned to the call of the Chair, which will be sometime after the turn of the year.

APPENDIX "A"

Bylaws Nos. 5, 6 and 7 of the Canadian Commercial Corporation

BY-LAW NO. 5

Being a General By-Law of Canadian Commercial Corporation amending, consolidating and superseding By-Laws Nos. 1, 2, 3 and 4.

Be it enacted by the Board of Canadian Commercial Corporation, as a By-Law of the Corporation as follows:

1. All By-Laws of the Corporation shall be subject to the provisions of The Canadian Commercial Corporation Act, as amended, and unless the context otherwise requires, whenever any matter or thing is expressed in the present tense, the expression shall be applied to the circumstances as they arise, so that due effect may be given to each provision and part thereof according to its spirit, true intent and meaning. The definitions contained in The Canadian Commercial Corporation Act shall apply and other words and phrases shall be interpreted in accordance with The Interpretation Act.

2. The Seal, an impression of which is made in the margin hereof, is the Seal of the Corporation.

3. The fiscal year of the Corporation shall be the twelve months ending on the 31st day of March in each year.

4. (*a*) The President of the Corporation shall be Chairman of the Board but in his absence from any meeting of the Board, the Directors of the Corporation present at such meeting shall appoint another member of the Board to act as Chairman.

(*b*) The Chairman shall preside at all meetings of the Board.

(*c*) The members of the Board shall meet together for the despatch of business from time to time, on reasonable notice given by the President or any two Directors, at any convenient place to be specified in the notice. The President shall call or cause to be called at least one such meeting in each quarter of the fiscal year of the Corporation.

(*d*) Notices of meetings of the Board shall be given to each member thereof by delivering or mailing or telegraphing the same to his usual address. Failure to give or receive notice due to inadvertence shall not invalidate any meeting and the presence of any member of the Board at the place and time of the meeting shall be considered waiver of notice to such member.

(*e*) Each member of the Board present at any meeting thereof shall have one vote with respect to any question arising at such meeting and the decision of the Board shall be in accordance with the majority of the votes. In the event of an equality of votes the Chairman shall have a second or casting vote.

(*f*) The Board shall cause to be entered into one or more books provided for the purpose, the minutes recording the proceedings and giving the names of those present at meetings of the Board.

5. (*a*) The President shall be responsible to the Board for the lawful conduct of the business of the Corporation.

(*b*) The President may make rules and regulations not inconsistent with the By-Laws of the Corporation, governing the work of the officers and employees of the Corporation and their relations to the Corporation and to the public.

(c) The President shall, from time to time, prepare and deliver or cause to be prepared and delivered such reports of the activities and finances of the Corporation as the Board may request.

(d) The President shall have control and supervision of the staff of the Corporation and shall have authority to delegate any of his powers in this regard to any officer or employee of the Corporation.

(e) The President shall cause paragraph 10 of this By-Law, and may, in his discretion, cause any other paragraph thereof, to be drawn to the attention of every officer and employee of the Corporation.

6. There shall be a Managing Director of the Corporation who shall be appointed by, and hold office during the pleasure of the Board. He shall, in the absence of the President, exercise the powers and assume the duties of the President and at other times shall exercise the powers and assume the duties of the President to such extent as may be, in the discretion of the President, expedient in order to give effective assistance to the President.

7. (a) There shall be a Secretary of the Corporation who shall be appointed by and hold office during the pleasure of the Board. It shall be the duty of the Secretary to issue notices of meetings of the Board and to attend all such meetings and act as Secretary thereof. The Secretary shall record all votes and the minutes of all proceedings taken and had at such meetings in books of the Corporation to be kept for that purpose.

(b) The Secretary shall be custodian of the Seal of the Corporation and of all books, papers, records and other documents belonging to the Corporation.

(c) The Secretary shall perform such other administrative duties and have such other authority as may be designated by the President and shall be responsible for the maintenance of proper legality in all actions and undertakings of the Corporation.

(d) The President of the Corporation may appoint an Assistant Secretary of the Corporation, whose duty it shall be to assist the Secretary generally in the performance of his duties, and in the absence of the Secretary, the Assistant Secretary shall assume the duties of the Secretary.

8. (a) There shall be a Comptroller of the Corporation who shall be appointed by and hold office during the pleasure of the Board. The Comptroller shall maintain records of all property of the Corporation and, subject to paragraph 15 hereof, shall receive, disburse and have custody of all funds and securities belonging to the Corporation and shall keep full and accurate accounts of receipts, disbursements and all financial transactions, in books belonging to the Corporation, and shall deposit all monies, securities, negotiable instruments and other such property in the name and to the credit of the Corporation in such depository as may be designated or approved from time to time by the Board.

(b) The Comptroller shall disburse the funds of the Corporation in such manner as may be requisite for the conduct of the business of the Corporation, taking proper vouchers for such disbursements, and shall render to the President and to the Board, as may be required, an account of his transactions as Comptroller and of the financial position of the Corporation. He shall perform such other duties as may, from time to time, be determined by the Board and subject to the Direction of the Board shall have, generally, control of all funds in the Corporation's hands either as trustee or otherwise.

(c) The Board may require the Comptroller to give the Corporation a bond in a sum and with either one or more sureties as may be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the Corporation in the event of his death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatsoever kind in his possession or under his control belonging to the Corporation.

(*d*) The President of the Corporation may appoint an Assistant Comptroller of the Corporation, whose duty it shall be to assist the Comptroller generally in the performance of his duties, and in the absence of the Comptroller the Assistant Comptroller shall assume the duties of the Comptroller.

9. (*a*) The employment, suspension, dismissal and re-employment of the officers and other employees of the Corporation shall be in the discretion of the President; provided that no appointment of an officer or employee whose salary exceeds $5,000.00 per annum shall be confirmed until the Board has had an opportunity to consider the proposed appointment and to indicate its desire with respect thereto.

(*b*) No officer or employee of the Corporation shall engage in any other work for remuneration or profit unless authorized by the President.

10. No public statement shall be made in speech or writing purporting to be in the name of the Corporation, and no officer or employee shall be a candidate for any public elective office, or support a candidate for any such office by public speech or writing, without the express authority of the President or the Board.

11. No member of the Board or any officer or employee of the Corporation shall derive any profit from or in any way be pecuniarly interested in or be concerned directly or indirectly in a pecuniary way in any contract which shall be entered into by the Corporation.

12. All letters applying for employment or recommending persons for appointment in the Corporation shall be forwarded to the President and be kept by him at the disposal of the Board.

13. The Board shall determine what officers and employees of the Corporation shall be bonded and all matters relative thereto.

14. (*a*) All formal contracts, leases and other formal documents requiring execution under the seal of the Corporation, and all other documents requiring such execution, shall be signed by any two of the following, namely:

the President;
the Managing Director;
a Director (other than the President and the Managing Director);
the Comptroller;
the Secretary;

provided, however, that the President may, subject to paragraph 15 hereof, authorize in writing any other officer or employee of the Corporation or of the Department of Defence Production to sign the documents hereinbefore in this paragraph 14 referred to, along with any one of the above-mentioned persons, and the President may at any time revoke such authorization.

(*b*) In respect of invitations to tender, agreements, purchase orders and amendments thereto, tenders, terminations of contract, bills of lading, other documents of title and other informal documents not under seal, the President may, subject to paragraph 15 hereof, authorize any officers or employees of the Corporation and of the Department of Defence Production to sign the same on behalf of the Corporation either alone or together with any other such officers or employees and the President may at any time revoke any such authorization.

15. The Board shall from time to time by resolution confirm the banks in which the necessary bank accounts of the Corporation shall be opened and maintained, and shall also from time to time by resolution designate the person or persons who shall have authority to draw and accept drafts, and to sign

cheques, promissory notes, bills of exchange, letters of credit and orders for money in respect of such accounts, including endorsements for deposit to the Corporation's credit.

16. By-Laws Nos. 1, 2, 3 and 4 of the Corporation, enacted on the 3rd day of May, 1946, the 13th day of August, 1946, the 30th day of May, 1947 and the 29th day of September, 1950, respectively, are superseded by this By-Law.

(Sgd) W. D. LOW,
President.

(Sgd) F. F. WADDELL,
Secretary.

Ottawa, Ontario,
May 9, 1951.

BYLAW No. 6

BE IT ENACTED by the Board of Directors of Canadian Commercial Corporation as Bylaw No. 6 of the Corporation, as follows:

Paragraph 14 of Bylaw No. 5 of Canadian Commercial Corporation is deleted and the following substituted therefor:

"14. (*a*) A bid, proposal or quotation on behalf of the Corporation will be signed by any one of the following:

Mr. M. H. Lamoureux
Col. B. Lake
Mr. D. R. Beardshaw
Mr. D. C. Thom
Mrs. E. M. Lamb
Mr. J. J. Tevlin
Mr. D. H. Gilchrist
Mr. A. K. Aspden
Miss E. M. Heath

(*b*) A contract between Canadian Commercial Corporation and a foreign government, or between Canadian Commercial Corporation and a domestic supplier, where the estimated value exceeds $50,000 and a contract of any value of it is a formal contract requiring execution under the seal of Corporation will be signed by any one of the following:

Mr. M. H. Lamoureux
A Director of the Corporation
Mr. D. C. Thom
Mr. F. F. Waddell
Mr. G. F. Wevill
Mr. J. J. Tevlin
Col. B. Lake
Mr. J. P. Stirling

together with the Director or Deputy Director or Assistant Director of the contracting branch concerned.

(*c*) A contract between Canadian Commercial Corparation and a foreign government, or between Canadian Commercial Corporation and a domestic supplier, where the estimated value does not exceed $50,000 and execution under the seal of the Corporation is not required will be signed by one of the officers specified in sub-paragraph (*b*) or by an officer of the contracting

branch named in Section 1 of Chapter 8 of the Departmental Manual of the Department of Defence Production, which Section deals with authority to sign contracts and amendments in accordance with the financial limitations prescribed in that Section.

(*d*) Subject to sub-paragraphs (*a*), (*b*) and (*c*) of this paragraph 14 and to paragraph 15 hereof, the President may authorize any officers or employees of the Corporation and of the Department of Defence Production to sign, either alone or together with any other such officer or employee, miscellaneous documents including bills of lading, terminations of contracts, Invitations to Tender, certificates of cost or pricing data, requisitions, releases, internal administrative documents and similar documents whether or not they are required to be under seal; and the President may at any time revoke any such authorization.

(*e*) Notwithstanding anything contained in this paragraph 14, in cases of urgency where a United States Military Department or other government requests, or where it is expedient, that Canadian Commercial Corporation sign a contract in the United States or other country, the President may designate any one of the signing officers of Canadian Commercial Corporation or of the Department of Defence Production to sign a specific contract in the relevant country and, for this purpose, to carry with him the corporate seal and to affix the seal to the contract at the time of signing."

Enacted by Resolution of the Board of Directors of Canadian Commercial Corporation on the 19th day of March, 1963.

(Sgd.) M. H. Lamoureux,
President

(Sgd.) F. F. Waddell,
Secretary

BYLAW No. 7

BEING A GENERAL BYLAW OF CANADIAN COMMERCIAL CORPORATION.

BE IT ENACTED BY THE BOARD OF CANADIAN COMMERCIAL CORPORATION, AS A BYLAW OF THE CORPORATION AS FOLLOWS:

1. All Bylaws of the Corporation shall be subject to the provisions of the Canadian Commercial Corporation Act, as amended, and the definitions contained in the said Act shall apply.

2. The Seal, an impression of which is made in the margin hereof, is the Seal of the Corporation.

3. The fiscal year of the Corporation shall be the twelve months ending on the 31st day of March in each year.

4. (*a*) Notices of meetings of the Board shall be given to each member thereof by delivering or mailing the same to his usual office address. Failure to give or receive notice due to inadvertence shall not invalidate any meeting, and the presence of any member of the Board at the place and time of the meeting shall be considered waiver of notice to such member.

(*b*) Each member of the Board present at any meeting thereof shall have one vote with respect to any question arising at such meeting and the decision of the Board shall be in accordance with the majority of the votes.

(*c*) The Board shall cause to be entered into one or more books provided for the purpose, the minutes recording the proceedings and giving the names of those present at meetings of the Board.

5. There shall be a Secretary of the Corporation who shall be appointed by and hold office during the pleasure of the Board. It shall be the duty of the Secretary to issue notices of meetings of the Board and to attend all such meetings and act as Secretary thereof. The Secretary shall record all votes and the minutes of all proceedings taken and had at such meetings in books of the Corporation to be kept for that purpose, and shall be the custodian of the Seal of the Corporation.

6. (*a*) There shall be a Comptroller of the Corporation who shall be appointed by and hold office during the pleasure of the Board. The Comptroller shall maintain records of all property of the Corporation and, subject to Paragraph 11 hereof, shall receive, disburse and have custody of all funds and securities belonging to the Corporation and shall keep full and accurate accounts of receipts, disbursements and all financial transactions, in books belonging to the Corporation, and shall deposit all monies, securities, negotiable instruments and other such property in the name and to the credit of the Corporation in such depository as may be approved from time to time by the Minister of Defence Production.

(*b*) The Comptroller shall disburse the funds of, or in the custody of, the corporation in such manner as may be requisite for the conduct of business of the Corporation, taking proper vouchers for such disbursements, and shall render to the Board as may be required, an account of his transactions as comptroller and of the financial position of the Corporation. He shall perform such other duties as may, from time to time, be determined by the Board and subject to the Direction of the Board shall have, generally, control of all funds in the Corporation's hands either as trustee or otherwise.

(*c*) The Comptroller shall, from time to time, prepare and deliver or cause to be prepared and delivered such reports of the finances of the Corporation as are called for by the Canadian Commercial Corporation Act and as the Board or the Minister of Defence Production may request.

7. The Board, or the Minister of Defence Production, may from time to time request any officers of the Corporation or of the Department to prepare such reports of the activities or proposed activities of the Corporation or reports relating thereto as the Board, or the Minister, may require, and such officer shall forthwith comply with such requests.

8. No public statement shall be made in speech or writing purporting to be in the name of the Corporation, and no officer or employee shall be a candidate for any public elective office, or support a candidate for any such office by public speech or writing, without the express authority of the Board.

9. No member of the Board or any officer or employee of the Corporation shall derive any profit from or in any way be pecuniarly interested in or be concerned directly or indirectly in a pecuniary way in any contract or transaction which shall be entered into by the Corporation.

10. All bids, proposals or quotations to be submitted by the Corporation and all contracts and agreements between the Corporation and other governments or other parties; and all invitations to tender, contracts, agreements, purchase orders and amendments thereto between the Corporation and its suppliers; and all miscellaneous documents including bills of lading, terminations of contracts, certificates of cost or pricing data, requisitions, releases, internal administrative documents and similar documents, shall be signed by one or more persons as may be designated from time to time by the Minister of Defence Production, who may also designate those contracts and documents which are to bear the Seal of the Corporation.

11. The banks in which the necessary bank accounts of the Corporation be opened and maintained shall be such banks as the Minister of Defence Production may from time to time approve; and the person or persons who shall be opened and maintained shall be sucs banks as tne Minister of Defence notes, bills of exchange, letters of credit and orders for money in respect of such accounts and in respect of the transactions of the Corporation, including documents for deposit to the Corporation's credit, shall be such person or persons as may be designated from time to time by the Minister of Defence Production.

12. Bylaws 5 and 6 of the Corporation enacted on the 9th day of May, 1951, and the 19th day of March, 1961, respectively, are superseded by this Bylaw.

Dated the 18th day of December, 1963.

Sgd. M. H. Lamoureux,
President

Sgd. F. F. Waddell,
Secretary

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